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**STATEMENT OF JURISDICTION**

**This is an appeal from a final judgment of the district court dismissing the Complaint, under 28 U.S.C. §1291.**



## STATEMENT OF ISSUES PRESENTED

1. Are Plaintiffs, (1) the representative of the estate of the late husband of Bessie Smith who died intestate in 1937, and (2) their adopted son, the real parties in interest to assert descendable property rights of Bessie Smith which she allegedly possessed arising from her artistic performances which were embodied in recordings made by defendants which rights posthumously defendants have allegedly infringed and misappropriated?

2. If neither Plaintiff is a real party in interest to assert descendable claims in Count IV of the Second Amended Complaint, of unfair competition, misappropriation and common law copyright, did the trial court err in dismissing Count IV for lack of prosecution by the real party in interest under F.R.Civ.P. 17(a) despite plaintiffs' express request for leave to join or substitute the representative of the Estate of Bessie Smith as a party to cure any such deficiency?

3. Did the trial court err in dismissing plaintiffs' claims for misappropriation, unfair competition, and related violations by defendants who, without consent or compensation to Bessie Smith's heirs, re-recorded her renditions embodied in 78 rpm records, (for which she had received small flat fees for each song recorded), and combined them after her death for commercial sale in various compilation record albums of defendants' choosing, comprising either Bessie's renditions exclusively or in combination with other artists, which albums are still being sold for profit today?



4. Did the trial court err in dismissing claims for misappropriation, unfair competition and related violations by defendants, who, without consent or compensation to Bessie Smith's heirs, re-recorded in 1951 in a 4 album series many of her renditions embodied in 78 rpm records, during the course of which re-recording, defendant added significantly distorting sounds which materially impaired the quality of the original renditions, in an attempt to create artificially, a "high fidelity" effect for commercial sale purposes, which albums are still being sold for profit currently?

5. Did the trial court err in dismissing plaintiffs' claims for misappropriation of property interests in name, personality, likeness and publicity rights of Bessie Smith, by defendants in connection with and deriving from their acts of unfair competition and re-recording without consent or compensation to plaintiffs, of Bessie's recorded renditions in (a) compilation albums and (b) in greatly distorted "high fidelity" albums?



## STATEMENT OF THE CASE

This is an action for misappropriation of artistic property and unfair competition by the heirs of Bessie Smith, "a great singer and composer of the blues, [who] during the 1920's . . . was one of America's top box office attractions and recording stars." (Slip Opinion, 3, 278A). Bessie Smith died in a tragic automobile accident in 1937. Surviving were her husband Jack Gee, Sr., and an adopted son Jack Gee, Jr. (Slip Opinion 12, 287A). Jack Gee, Sr., died in 1973, and the executor for his estate, together with Jack Gee, Jr., commenced this litigation on June 1, 1975.

Defendant CBS, Inc. and its corporate division Columbia Records, Inc. [collectively called "Columbia"] have electronically rerecorded all of the recordings made by Bessie Smith for 78 rpm records during 1923 through 1933 and have compiled such songs in new long-playing record albums which are being commercially sold by defendant up to the present time.

More specifically in 1955, Columbia issued a four record album series of Bessie Smith recorded songs entitled Bessie Smith, Volumes I-IV, (Newberg Affidavit, Exh. A, 146A), which compiled selected single recordings into long playing records and significantly altered the sounds on the original Bessie Smith recordings in the re-recording process to produce a so-called high fidelity effect. Columbia continues to produce and commercially market this album series up to the present day.

Subsequently, in 1971-1972, Columbia issued 5 double record Bessie Smith albums, consisting of 10 separate 2 sided long playing records which comprise all 160 renditions of Bessie



Smith's earlier recorded output for Columbia. (Newberg Affidavit, Exh. A, 146A; see also Answers of CBS Inc. to Plaintiffs' Second Set of Interrogatories, No. 25, 252A) Columbia continues to produce and commercially market this album series up to the present day.

Additionally for the last several years, Columbia issued approximately 9 compilation albums, and authorized other record companies to issue compilation albums, comprised of one or more tracks of Bessie Smith's recorded renditions in combination with those of other artists. (For a listing of these albums, see Answers of CBS Inc. to Plaintiffs' Second Set of Interrogatories, Nos. 1 and 2, 233A-245A, Newberg Affidavit, 146A-147A).

Despite defendant's commercial exploitation of Bessie Smith's recordings in the form of new long-playing record album releases, defendant has not paid the heirs any sums whatsoever for their compilations of such songs in their new environment.

Defendant's major defense for nonpayment stems from their reliance on nominal flat fee sums paid to Bessie Smith for each recording accepted by Columbia's predecessor. Thus, for example, defendant maintains that the sum of \$37.50 for each of four recordings in 1933 pursuant to a verbal contract, has granted to Columbia the right to use those renditions, as re-recorded electronically, in perpetuity, world-wide, for all uses, in all forms, and in all media, whether known or unknown in 1933, in whatever compilations or composite albums they choose, and to alter, abridge or amend those sounds in any way they deem fit. Plaintiffs, heirs of Bessie Smith, have filed this lawsuit charging common law copyright infringement, (Count III, par. 37, Second



Amended Complaint, 117A), misappropriation and unfair competition with respect to property interests of Bessie Smith in her artistic renditions (Count IV, Second Amended Complaint, 118A), and the use of her name, likeness and personality for publicity purposes (Count V, Second Amended Complaint, 120A) and other counts not the subject of this appeal.

Defendants filed a Motion to Dismiss Plaintiffs' Complaint or, in the Alternative for Summary Judgment which the Court granted in Defendant's favor as to all counts.

For purposes of the Motion to Dismiss, Plaintiffs admitted that Bessie Smith did receive a small flat fee sum for each recording made and accepted by Columbia's predecessor, but plaintiffs vigorously contested that any written contracts were ever signed between Bessie Smith and Columbia. Defendants, in response to discovery requests, have not been able to produce any such signed recording contract agreements. Accordingly for purposes of the trial court decision and appellate review, the claims raised by plaintiffs must be determined in the context of executed transactions (recorded on ledger sheets) without any express written contractual clauses governing what rights Bessie Smith transferred and what rights she reserved each time she received a small flat fee for a recording to be commercially sold on a 78 rpm record disc. Plaintiffs cross filed for partial summary judgment which the court denied.

Plaintiffs have appealed the dismissal of Count III insofar as the common law copyright rights of Bessie Smith as a performing artist (in contrast to rights as a song composer) are involved. Plaintiffs have also appealed the dismissal generally



of Count IV (unfair competition, misappropriation claims) and of  
Count V (misappropriation of publicity rights).



### SUMMARY OF ARGUMENT

The heirs of Bessie Smith contend that when Bessie Smith received small flat fee sums from Columbia for each song she recorded for 78 rpm records during 1923 to 1933, she did not transfer her rights to Columbia to issue selected compilations or composites of her recorded songs in long playing albums in subsequent years, or to have Columbia unilaterally grant licenses to other record companies for compensation to use 1 or more of her recorded songs in long playing records, teamed up with songs by other artists, without consent from or compensation to her or her heirs. Because there are no signed recording contracts governing the relationship between Bessie Smith and Columbia, and, in fact, it is undisputed that the last 4 recordings were made by Bessie Smith for Columbia pursuant to a verbal agreement, this appeal raises the issue of what rights are transferred and what rights are reserved by a recording artist who is paid a small flat fee per recording, with no other property rights being expressly discussed. Plaintiffs maintain that the factual circumstances under which the original constructive contracts were made and performed, the custom and practice of Columbia (CBS) currently in obtaining the consent of the recording artist before coupling the artist's recordings with other songs in long playing albums, and the uniformity and pre-emptive nature of recent Copyright Act of 1976 provisions which now encompass sound recordings, all support plaintiffs' contention that apart from rights transferred to Columbia to produce and sell individual sound recordings, Bessie Smith did not transfer her common law artistic property rights to Columbia, to take those same recordings and without her consent,



create, produce and commercially sell them in long playing collected or assembled versions, or to adapt them to make derivative works from them.

Moreover, Bessie Smith as Express of the Blues had a most unique singing style and quality when she recorded or performed. When Columbia issued a four long-playing record series of Bessie's recorded songs in 1955, without the consent of Bessie's heirs, Columbia added "echo" and other extraneous sounds to create a so-called high fidelity effect, but which, on the contrary, significantly altered and distorted the unique singing quality of which Bessie based her artistic reputation. Plaintiffs maintain that Columbia had no rights without plaintiffs' consent, to create, produce and commercially sell these adaptations derived from her original works. Even if Columbia did possess some rights to make a new adaptation of her songs, Columbia had no right to do it in the distorting and disparaging manner which they did.

Plaintiffs seek an injunction against defendant and an accounting, under theories of defendant's violation of common law copyright rights, misappropriation, unfair competition, and related principles.



- I. PLAINTIFFS, (1) THE REPRESENTATIVE OF THE ESTATE OF THE LATE HUSBAND OF BESSIE SMITH WHO DIED INTESTATE IN 1937, AND (2) THEIR ADOPTED SON, ARE REAL PARTIES IN INTEREST TO ASSERT DESCENDABLE PROPERTY RIGHTS OF BESSIE SMITH ARISING FROM HER ARTISTIC PERFORMANCES EMBODIED IN RECORDINGS MADE BY DEFENDANTS WHICH RIGHTS POSTHUMOUSLY DEFENDANTS HAVE ALLEGEDLY INFRINGED AND MISAPPROPRIATED.
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Plaintiffs in this suit include William D. Harris, Executor for the Estate of John Gee, Sr. It is undisputed that Jack Gee, Sr. was married to Bessie Smith up to the time of her death intestate in 1937. The trial court record includes a copy of their Philadelphia marriage license.<sup>\*</sup> It also includes 2 mechanical licenses for Bessie's songs given in 1940 from Jack Gee, Sr. to Columbia, and a 1952 assignment agreement by Jack Gee, Sr. to Express Music Co. (one of the original defendants) in which he conveyed all his present and future copyright rights in songs composed by (in contrast to performed by) Bessie Smith, thus being recognized by the copyright office and a commercial publishing company as the rightful heir of those copyrights.

The second plaintiff in this suit is Jack Gee, Jr., the adopted son of the marriage. The record below includes a copy of the will of Jack Gee, Sr., which refers expressly to Jack Gee, Jr. as "my son." (Newberg Affidavit, 274A). Bessie Smith was not known to have had any other children during her lifetime.

Artistic renditions that are embodied in recordings or films represent property interests of the artist giving rise to a bundle of rights, Ettore v. Philco Television Broadcasting, 229 F.2d 481 (3rd Cir. 1956) cert. den. 351 U.S. 926 (1956), and are descendable to the extent such interests are not transferred to others inter vivos. 18 Am. Jur.2d Copyright and Literary Property

\* See Newberg Second Supplemental Affidavit, par. 4, 270A.



§7 at n. 11. Cf. Copyright Act of 1976, 17 U.S.C. §§302(a), 303 (Copyright in works, including sound recordings, subsists from their creation for a term consisting of the life of the author/artist and 50 years thereafter.)

Similarly, the right in an individual's name and likeness is a valid property right which is transferrable and survives death. Factors Etc. Inc. v. Pro Arts Inc., 444 F. Supp. 288 (S.D. N.Y. 1977) aff'd 579 F.2d 215 (2nd Cir. 1978) cert den. 99 S.Ct. 1215 (1979); Price v. Hal Roach Studios Inc., 400 F. Supp. 836 (S.D. N.Y. 1975); Memphis Development Foundation v. Factors Etc. Inc., 441 F. Supp 1323 (W.D. Tenn. 1977) aff'd 578 F.2d 1381 (6th Cir. 1978). Cf. Lugosi v. Universal Pictures, 139 Cal. Rep. 35 (Cal. App. 1977) (appeal to Supreme Court of California pending); Guglielmi v. Spelling-Goldberg Productions, 2nd Civ. 49773 (Cal. Ct. App. 2nd App. Dist. 1977) (appeal pending). Under case law, the right of publicity is perpetual and is not pre-empted by federal law. Factors Etc. Inc. v. Pro Arts Inc., supra, n. 17; Price v. Hal Roach Studios Inc., supra, at n. 20.

Plaintiffs have inherited property rights in the artistic renditions, name, likeness and reputation of Bessie Smith as a performing artist, to the extent she has not specifically transferred or assigned those rights to others during her lifetime. Plaintiffs are asserting that following Bessie's death, defendants posthumously misappropriated and are misappropriating plaintiffs' inherited property rights. Whatever may ultimately be determined to be the merits of the claims they allege, they are the real parties in interest to assert them within the meaning of F.R.Civ.P. 17. The district court's alternate holding to the contrary with



reference to Count IV of the Second Amended Complaint (unfair competition) is in error in light of these circumstances. (Slip Opinion, 349A). The claims which are the subject of this appeal did not arise until defendant's actions starting approximately in 1951, many years after Bessie Smith died in 1937, and did not accrue during her lifetime. The district court's discussion of the Pennsylvania Survival Statute, (Slip Opinion, 291A), is inapplicable to such descendable property interests on which the causes of action arose after the inheritance was implemented.

Finally, F.R.Civ.P. 17(a) prohibits dismissal of an action on the grounds that the real party in interest is not a party to the action. The trial court further erred in not affording plaintiffs leave to amend (which they were and are prepared to do if necessary) to substitute Bessie Smith's personal representative as plaintiff.<sup>5/</sup>

For all of the foregoing reasons, plaintiffs are real parties in interest to assert claims to protect their inherited property interests from misappropriation, unfair competition, violation of common law copyright, and related tort and contract doctrines.

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<sup>5/</sup> This Court can take judicial notice that an order dated November 22, 1977 was signed by Judge Jamison in proceedings In Re Estate of Bessie Smith, No. 3395 November Term 1977, Court of Common Pleas of Philadelphia County, authorizing the Register of Wills to grant Letters of Administration to the persons entitled thereto, and that pursuant to a Petition for Letters of Administration filed November 23, 1977 by Jack Gee, Jr. and William D. Harris, Esquire, Executor for the Estate of John Gee, Sr., petitions have been granted such Letters of Administration for the Estate of Bessie Smith for suit purposes.



- II. WHATEVER RIGHTS DEFENDANT MIGHT HAVE OBTAINED BY PAYMENT OF NOMINAL FLAT FEES TO BESSIE SMITH FOR EACH RECORDING, THEY DID NOT INCLUDE THE RIGHT WITHOUT HER CONSENT AND WITHOUT PAYMENT TO HER OR HER HEIRS TO ELECTRONICALLY DUB HER RECORDED PERFORMANCES AND ASSEMBLE THEM INTO VARIOUS NEW COMBILATIONS OF DEFENDANT'S CHOOSING - COMPRISING EITHER BESSIE'S RENDITIONS EXCLUSIVELY OR WITH THOSE OF OTHER PERFORMERS - FOR PURPOSES OF MAKING AND COMMERCIALLY SELLING NEW LP ALBUMS.

Defendant Columbia paid a flat fee price of modest size at best to Bessie Smith in return for her agreement to record songs for 78 rpm records which were commercially sold at 75¢ each (or 35¢ for her last four recordings in 1933 on Okeh label, Columbia's "budget" label). This appeal raises the issue of what rights Bessie Smith gave Columbia and what rights Bessie Smith retained by virtue of these transactions. While sound recordings were not copyrightable until the Sound Recording Act Amendments of 1971, effective February 15, 1972, P.L. 92-140, now further amended by the Copyright Act of 1976, 17 U.S.C. §§101 et seq., the property interests in such sound recordings fixed before 1972, were accorded protection analogous to statutory copyright under state law judicial precedents utilizing such doctrines as common law copyright, misappropriation, unfair competition, breach of contract, breach of privacy, publicity rights and other related equitable and criminal law doctrines. Jondura Music Publishing Co. Inc v. Melody Recordings Inc., 506 F.2d 392 (3rd Cir. 1974) cert. den. 421 U.S. 1012, 95 S.Ct. 2417, 44 L.Ed.2d 680 (1975); Neilman v Bell, 583 F.2d 373 (7th Cir. 1978) cert. den. 99 S.Ct. 1499 (1979). Thus, under the common law of most states, an owner of an artistic property, such as an artist's rendition of a song for recording purposes fixed before 1972, has a bundle of exclusive



rights in that property which can be used for several and separate purposes including reproduction, adaptation, publication and sale, compilation or coupling, broadcasting on radio or television, using it to accompany a dramatization or motion picture ("film synchronization"), using it for specific geographical areas and during specific time periods. There are a vast number of other possible uses of a single artistic performance which has been embodied in the tangible form of a sound recording. Issues raised in this appeal concern only whether in the course of Bessie Smith's dealings with Columbia, she retained the right individually to make and sell compilations of her recorded songs years later, to couple and sell her recorded songs with other artists, and to make adaptations or derivative works from her recorded renditions.

Possessing a bundle of rights, the artist in any particular transaction for consideration, may give only a partial right to use the protected work in a particular manner, place or time, or for particular purposes upon such terms and conditions as may be agreed upon. See Copyright and Literature Property, 18 Am. Jur. 2d §92. What has been assigned in any particular transaction is a question of fact, "each case depending upon its own merits and where the rights of the parties are to be resolved by implication." Id., §93. Cf. House Report No. 94-1476, September 3, 1976, 1976 U.S. Code Cong. & Admin. News 5659, 5674, accompanying S. 22, ("Copyright Act of 1976"), describing §106 "Exclusive Rights in Copyrighted Works":

"Each of the five enumerated rights may be subdivided indefinitely and . . . each subdivision of an exclusive right may be owned and enforced separately."



For purposes of defendant's motion to dismiss, or alternatively for summary judgment, we are dealing with essentially verbal contracts without reliance by defendant on any written instrument for purposes of the motion. (Defendant's Brief in Support of Motion to Dismiss, at 23). In light of the fact that recordings by Bessie Smith for Columbia Records both in the beginning of her career and for her last recordings were made pursuant to verbal contract arrangements, and in light of the fact that Columbia has not been able to produce in discovery to date, any contracts bearing the signature of Bessie Smith with respect to her recording performances, Columbia's framing of its Motion to Dismiss outside of the scope of any purported written agreements, is understandable. In its putative Answer to the Second Amended Complaint, at paragraph. 22, 135A defendant admits that Bessie Smith's four recordings in 1933 for which she was paid \$37.50 per side, were made "pursuant to a verbal contract between her and Hammond." This was confirmed by Hammond directly during his deposition. (431A).

In addition, paragraph 23 of Plaintiffs' Second Amended Complaint (at 107A) identifies eight recordings by Bessie Smith during her first sessions with Columbia Records, for which Columbia ledger sheets show that no contract was in force between Bessie and Columbia Records. Deposition of Chris Albertson, who interpreted the ledger sheets of Columbia for this period, reveals his belief that any records made before the first date shown as the contract date for Columbia, were made pursuant to verbal contracts only. (Deposition Tr. at 675A). Thus, what was transferred by way of rights in artistic properties in the contractual arrangements between Columbia Records and Bessie Smith, depends



upon the intent of the parties and all the surrounding circumstances including conduct and status of the parties, customs and practices of the trade, considerations paid, and analogous principles underlying transfers of rights protected by federal copyright statutes.

In a motion to dismiss, facts alleged or on the record "from any other source and all reasonable inferences therefrom must be viewed in the light most favorable to the plaintiff."

Ettore v. Philco Television Broadcasting Corp., 229 F.2d 481, 484 (3rd Cir. 1956) cert. den. 351 U.S. 926 (1956). In defendant's summary judgment motion, plaintiffs' allegations must be taken as true, the record must be read in the light most favorable to plaintiffs, and any doubts about conflicts of facts must be resolved in favor of plaintiffs. 10 Wright & Miller §2716 (1973 ed.); Kaufman v. Solomon, 524 F.2d 501 n. 1 (3rd Cir. 1975)

#### Factual Circumstances of the Parties and Recording Transactions

Some of the circumstances alleged in Plaintiffs' Second Amended Complaint, most of which are undisputed, include the fact that Bessie Smith and her husband had no formal education or minimal education, and were unsophisticated in legal matters (102A); that Frank Walker served simultaneously as Recording Director for Columbia Records and as Bessie Smith's manager with reference to her recording relationships with Columbia (102A-105A; see also Answers of CBS to Plaintiffs' Interrogatories, Nos. 7 and 10, (9A); Liner Notes on Record Jacket for "The Bessie Smith Story - Vol. 1", ("Bessie had the rare good fortune of having a scrupulously honest man as her manager . . . Frank Walker . . .") Newberg Affidavit, 161A); that a fiduciary relationship existed between Bessie and



Columbia Records, through Frank Walker, that Bessie Smith received only nominal flat fee payments for her recordings in contrast to substantial fees and/or royalty arrangements more fitting to a star artist of her stature (105A); that all recordings were made by Bessie Smith with the express understanding that they would be used for the purpose of manufacture and sale of 78 rpm records selling for 75¢ a record; with the exception of the last 4 records which might be used for the 35¢ budget record label, that she received only \$37.50 per recording for her last four recordings in 1933 pursuant to verbal contract arrangements. (106A). If there is any doubt about these facts, plaintiffs must be afforded an opportunity to prove these and other circumstances at trial in order to show the intent of the parties concerning what rights, if any, were contemplated to be assigned from Bessie Smith to Columbia Records in return for these nominal flat fee payments. At this preliminary litigation stage, these facts must be taken as true. Plaintiffs have also shown the relatively primitive nature of technology in the recording industry, in contrast to today's modern engineering feats which include 33 1/3 rpm long playing record albums, additional means for marketing such recorded performances through 8 track tape and cartridges, as well as other media in which such renditions may be broadcast or exhibited, such as radio, television and motion picture films.<sup>2/</sup> The Court was asked to reconstruct what was intended or contemplated by the parties to these contractual arrangements made during 1923 to 1933 by looking at all of the circumstances, including the fact that collections of popular songs on long playing records were non-existent in the recording industry at that time period. (See Albertson

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<sup>2/</sup> Second Amended Complaint, 94A-98A.



Deposition Tr. 669A and 674A) and the availability currently of new forms for commercial exploitation of such recorded performances, which were then unknown to the parties at the time of their arrangements. In general, whether Bessie Smith transferred certain limited rights or all rights in individual 78 rpm records only, or all rights to make individual records as well as compilation or coupling records, or all rights in perpetuity for all commercial exploitation of the recorded performances in all forms and media, whether known or unknown, depends on a full consideration of the circumstances and trade customs, if any, and cannot be summarily determined in Columbia's favor as a matter of law from the sole fact that Bessie received a small flat fee sum from Columbia for each recording made.

It is significant that compilations of works in the public domain or of other copyrighted works have long since been recognized as unique and different derivative works, eligible for statutory copyright protection. 17 U.S.C. §7. Compilations of recorded songs are now eligible for federal copyright protection under the new revised Copyright Act, 17 U.S.C. §§101, 102(7), 103. The general Copyright Act, 17 U.S.C. §7 and the revised Copyright Act, §103, provide that one who arranges a compilation or collective work must obtain the consent of the owner of underlying works which are not otherwise in the public domain. While these provisions do not answer the question who retains the rights to the recorded renditions over and above the original 78 rpm records produced - Bessie Smith or Columbia - they do suggest that compilations or collections of songs constitute the creation of something significantly different from the recording and manufacture of



of singles. Here, the sum may equal the total of its parts mathematically, but the product is lawfully recognized as being a different and original one than each of the separate parts, and has an obviously enhanced economic value. If one compiles works of another without permission of the author of such works, this equals an infringement and can be enjoined. See Heilman v. Bell, 583 F.2d 373, 377 (7th Cir. 1978) cert. den. 99 S.Ct. 1499 (1979); National Geographic Society v. Classified Geographic Inc., 27 F. Supp. 655 (D. Mass. 1939).

Further, the coupling or assembling of recorded songs on long-playing records or tapes without the consent of the artist who recorded the songs, takes on a special significance affecting the reputation and economic interests of the artist, that distinguishes such collective recordings even from literary anthologies, in practical effects. It is important for a recording artist to be able to control when and in what form any combination or collection of his or her recorded renditions are made, whether exclusively the performer's renditions, or in combination with other vocalists. This will affect the reputation of the artist, as well as the preservation of the pecuniary interests of the artist in such renditions. In most artist's contracts based on royalty arrangements, royalty arrangements are based on retail or wholesale price of records and record albums to the public, so that a compilation record at a list price of \$5.98 or \$6.98, for example, would be proportionally protected economically for the artist, as would be the pecuniary interests for royalties in a single record on 78 rpm or 45 rpm. This, of course, would not apply if the artist retained no rights for future commercial



exploitation of her or her renditions, after receipt of an initial flat fee payment.

Current forms of artist/producer contracts between Columbia and recording artists and their producers are revealing in that the recording artist is protected by royalties for a wide variety of different uses of recorded renditions. They further require the express consent of the artist before Columbia (CBS) will be able to couple a rendition by the artist with a rendition by any other artist on a pop single, or before Columbia will be able to couple more than two master recordings on any other disc record. This current form of artist/producer contract used by Columbia is attached as an exhibit to the Affidavit of Herbert B. Newberg (192A), and in Section 7.04 of that agreement, it provides:

"During the terms of this agreement, in respect of Records manufactured for sale in the United States: (a) CBS will not couple Master Recordings recorded hereunder with Master Recordings not embodying the Artist's performances on "pop singles"; and (b) except in respect of (1) promotional Records, and (2) programs for use on public transportation carriers and facilities, CBS will not couple more than two Master Recordings recorded hereunder on any other disc Record, without your consent."

In an article written for a Practising Law Conference, Course Chairman Donald E. Biederman, General Attorney for CBS, Inc., discussed "Customary Contract Patterns and Problems in the Recording Industry", printed in Legal and Business Problems of the Record Industry 1976 (N.Y.C. Practising Law Institute 1976), 9 et seq. In that article co-authored by Mr. Biederman and Nicholas Gordon (presumably staff counsel at CBS), there are several parts that stress where an artist will seek to limit the recording company's rights in recordings in order to preserve those rights



for the artist or his or her producer. For example, id., p. 17:

"Artist will seek to limit Company's exclusivity in the areas of TV and motion picture soundtracks, Broadway and off-Broadway cast recordings and video cassette or other 'sight-and-sound' devices."

Page 22:

"Artists' attitudes toward these ancillary uses also vary: some have welcomed the income and exposure attendant upon inclusion of a band in a 'promotional' album, while some are entirely hostile to any coupling of their recordings with those of other artists."

In discussing artist's compensation, the article states that "virtually all contracts provide for payment to Artist of royalties on net sales of his records." (Id. at 25), and then continues to note that Artists may seek restrictions on use, or delay in use after initial release of special products, such as nostalgia albums offered on radio or TV, special labels or budget label usage, record club sales and the like. (Id. at 26)

This court in Ettore v. Philco Television Broadcasting Corp., supra, 229 F.2d at 487, held that:

"[if an artistic product is used by the licensee] for some use other than that for which it was intended by the performer and the entrepreneur, [the product] . . . is employed in such a way as to deprive the performer of his right to compensation for the new use of the product. It is usual today to provide specifically by contract between the performer and the entrepreneur as to what uses the product may be put; so as to services performed and product made in the future, the issues presented by the case at bar will become largely academic."

In Ettore there was no contractual limitation on the use of motion picture rights granted by a prize fighter for the filming of a fight performance. The court went on to grant relief to the prize fighter, nevertheless, holding that television is a new medium



for presentation of motion pictures - "one that was not in commercial existence at the time Ettore made his contract." (at 488). More important, the Third Circuit in Ettore treated the silence of the contract with reference to the particular use sought by the defendant, as equivalent to the reservation by the performer of such rights by virtue of principles of basic fairness. The court held:

"Fairness would seem to require that a court treat the absence of the new or unknown media, television in the instant case, as about the equivalent of a reservation against the use of the work product of the artist or performer by a known medium, radio broadcasting in Waring's case."

[229 F.2d at 491]

As the court recognized in Ettore, fairness to the artist requires that when a new commercial use of the artist's performance is made by a licensee pursuant to a contract which is silent with respect to remuneration for that new use, then it will be presumed that the artist retained the property interest in those rights for purposes of controlling their future use, and for reaping the rewards of his or her labors. Manners v. Morosco, 252 U.S. 317, 40 S.Ct. 335, 336, 64 L.Ed.2d 590 (1920) (Holmes, J.) (right to perform play does not equal right to reproduce it); Norman v Century Athletic Club, 193 Md. 584, 69 A.2d 466, 469 (1949) (right to broadcast prize fight on radio did not equal right of licensee to broadcast it on television); Epoch Producing Corp. v. Killiam Shows Inc., 522 F.2d 737, 746 n. 7 (2nd Cir. 1975) (a general transfer by an author of an original copyright without mention of renewal rights, conveys no interest in the renewal rights without proof of a contrary intention). Pennsylvania and



New York law is to the same effect. Ettore, supra, 229 F.2d at 489, 492-93; Waring v. WDAS Broadcasting Station Inc., 327 Pa. 433, 194 A. 631 (1937); Capitol Records Inc. v. Mercury Records Corp., 221 F.2d 637 (2nd Cir. 1955); Metropolitan Opera Assn. v. Wagner-Nichols Recorder Co., 199 Misc. 786, 101 N.Y.S.2d 483 (Sup. Ct. 1959), aff'd 279 App. Div. 632, 107 N.Y.S.2d 795 (1951).

Accordingly, even if Columbia Records is deemed to have obtained from Bessie Smith a general transfer of all rights in her renditions on 78 rpm records, a conclusion which cannot be predetermined until all of the circumstances have been considered, then as a matter of law, it is manifest that Columbia still would not have obtained the lawful right to create long playing record albums consisting of collections of her songs exclusively or in connection with other artists, without the consent of Bessie or her heirs, unless Columbia can further show that solely in return, for example, for a payment of \$37.50 for a particular rendition, it obtained all rights in perpetuity for all commercial uses of that rendition in any and all means and in any and all media, whether known or unknown at the time of the contractual arrangements.

#### Past Actions of Columbia Support Plaintiffs' Claims

Modern technology for duplicating recordings has created an enormous problem of record piracy. Suits by musical composers, performing artists, and record manufacturers, have all resulted in relief against such unauthorized duplication of sound recordings in disc, tape or cartridge form, on the rationale that musical composers, artists and record manufacturers, all have pecuniary



interests entitled to protection under common law. Many states have even passed criminal statutes making such record piracy a criminal offense. CBS, Inc., the defendant herein, has been a frequent plaintiff in such actions to enjoin record piracy, because obviously defendant has a major pecuniary investment in its recordings which is being unlawfully misappropriated. Apart from the fact that suits involving the unlawful use of records by record pirates invoke the same rationale on misappropriation of property interests as do cases involving the misappropriation of property interests by record manufacturers and other licensees vis-a-vis performing artists (Ettore, supra), defendant has represented before many courts in such piracy cases that defendant is required to pay royalties to the performing artists, with royalties being paid on the recording's original release and on re-releases in singles or in albums. See Mercury Record Productions Inc. v Economic Consultants Inc., 183 U.S.P.Q. 358, 360 (Wis. Sup. Ct. 1974) (CBS as co-plaintiff testifies in that suit to enjoin record pirating, the CBS re-releases many old songs on both single records and in albums, that plaintiffs pay royalties to the performing artists and to certain musician trust funds, and that "these royalties are paid on the recording's original release and on re-releases in singles or in albums."); accord: Columbia Broadcasting System Inc. v. Spies, 167 U.S.P.Q. 492 (Ill. Cir. Ct. Cook Co. 1970); Columbia Broadcasting System Inc. v. Custom Recording Company Inc., 174 U.S.P.Q. 309 (S.C. Sup. Ct. 1972) ("Upon the sale of its recordings, CBS becomes liable to pay fees to designated trustees for the benefit of performing artists and



musicians, and also becomes liable to pay specified royalties to the artists whose performances are embodied therein."); Columbia Broadcasting System Inc. v. Newman, 184 U.S.P.Q. 18 (D.C. N.Mex. 1974). Nor is the unlawful misappropriation of records strictly a modern problem. In Fonotopia Ltd. v. Bradley, 171 F. 951 (E.D. N.Y. 1909), Columbia Phonograph Company, predecessor of defendant herein, was a co-plaintiff seeking to enjoin the misappropriation of their sound recordings. In support of their claims, Columbia alleged with reference to records which it manufactured and sold that it had to pay a royalty "to the artist originally making the record." (at 953-954). Thus, Columbia has frequently proclaimed in a court of law that it is entitled to protection against pirating of its sound recordings because, inter alia, of its large investment in those recordings arising from its obligation to pay royalties to the performers originally making the record.

Finally, during the deposition of John Hammond, Columbia executive and co-producer of recent re-issues of Bessie Smith records, Mr. Hammond testified that with respect to at least four other recording artists for Columbia, Columbia voluntarily undertook to enter into a royalty arrangement for re-issues of their records, though original contract arrangements with those artists did not obligate CBS to pay such royalties. Columbia Records has agreed to pay 8% royalties to the artists or their heirs with respect to renditions of Ethel Waters, Leadbelly, Bukka White, and Teddy Wilson. (Hammond Deposition Tr., 12/9/76, at 526-527A). Whether these voluntary settlements relating to re-issues of recordings of early artists were the result of legal obligation anticipated by Columbia, or otherwise, they are indicative of the relief to



which plaintiffs believe they are entitled to receive as well.

**Federal Pre-emption Objectives of Copyright  
Act of 1976**

Though not citing Ettore expressly, the legislative history of the 1976 Copyright Act, House Report 94-1476, September 3, 1976, with reference to Section 202, 1976 U.S. Code Cong. & Admin. News 5739-40, codifies the Ettore rationale and states that §202 which distinguishes between ownership of copyright and material object, when read together with §§204(a) and 301, would create a presumption that an artist who sells his or her manuscript or work of art, reserves common law property rights without specifically reserving them. This presumption arises "since a specific written conveyance of rights would be required in order for a sale of any material object to carry with it a transfer of copyright." (Id at 5740).

The new Copyright Act and its legislative history are replete with many provisions that reserve to the artist, author or composer any rights not specifically conveyed or transferred in writing. For example:

**17 U.S.C. §101 Definitions:**

"A 'transfer of copyright ownership' is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license."

**17 U.S.C. §103 Subject Matter of copyright:  
Compilations and derivative works**

"(a) The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection for a work employing preexisting material in which copyright



subsists does not extend to any part of the work in which such material has been used unlawfully.

(b) The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material."

#### 17 U.S.C. §201. Ownership of Copyright

"(c) Contributions to Collective Works.-- Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

#### (d) Transfer of Ownership.--

(1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.

(2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title."



**17 U.S.C. §202. Ownership of copyright as  
distinct from ownership of  
material object.**

**"Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object."**

**The legislative history of the 1976 Copyright Act, House Report No. 94-1476, supra, 1976 U.S. Code, Cong. & Admin. News 5684, 5685, discusses guidelines for educational uses of music to clarify §107 dealing with fair use. Under the guideline heading "Prohibitions", the first item listed is:**

**"1. Copying to create or replace or substitute for anthologies, compilations or collective works."**

**These guidelines were for nonprofit copying and use of sound recordings. A similar restrictive guideline for fair use under §107, was set forth in the legislative history relating to Classroom Copying in Not for Profit Institutions, 1976 U.S. Code Cong. & Admin. News 5681, 5683 at par. IIIA. A fortiori, copying and use of sound recordings to create compilations or collective works for commercial profit-making purposes, should be and is prohibited without the consent of the artist. See Nimmer On Copyright §306. (If a pre-existing work upon which a collective work is based is protected by copyright, then its unauthorized incorporation in a derivative or collective work will constitute an act of infringement.**



Moreover, the Copyright Act, 17 U.S.C. §301 establishes federal pre-emption of copyright laws over the common law and statutory copyright laws of the various states. The effective date for federal pre-emption for sound recordings fixed before February 15, 1972, has been deferred until the year 2047, under the provisions of 17 U.S.C. §301(c):

"With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2047. The preemptive provisions of subsection (a) shall apply to any such rights and remedies pertaining to any cause of action arising from undertakings commenced on and after February 15, 2047. Notwithstanding the provisions of section 303, no sound recording fixed before February 15, 1972, shall be subject to copyright under this title before, on, or after February 15, 2047."

The House Report, *supra*, 1976 U.S. Code, Cong. & Admin. News 5749 discusses the special problems raised by pirating of pre-1972 sound recordings which gave rise to §301(c):

"A unique and difficult problem is presented with respect to the status of sound recordings fixed before February 12, 1972, the effective date of the amendment bringing recordings fixed after that date under Federal copyright protection. In its testimony during the 1975 hearings, the Department of Justice pointed out that, under section 301 as then written:

'This language could be read as abrogating the anti-piracy laws now existing in 29 states relating to pre-February 15, 1972, sound recordings on the grounds that these statutes proscribe activities violating rights equivalent to \* \* \* the exclusive rights within the general scope of copyright. \* \* \* Certainly such a result cannot have been intended for it would likely effect the immediate resurgence of piracy of pre-February 15, 1972, sound recordings.'

The Department recommended that section 301(b) be amended to exclude sound recordings fixed prior to



February 15, 1972 from the effect of the pre-emption.

The Senate adopted this suggestion when it passed S. 22. The result of the Senate amendment would be to leave pre-1972 sound recordings as entitled to perpetual protection under State law, while post-1972 recordings would eventually fall into the public domain as provided in the bill.

The Committee recognizes that, under recent court decisions, pre-1972 recordings are protected by State statute or common law, and that should not all be thrown into the public domain instantly upon the coming into effect of the new law. However, it cannot agree that they should in effect be accorded perpetual protection, as under the Senate amendment, and it has therefore revised clause (4) to establish a future date for the pre-emption to take effect. The date chosen is February 15, 2047, which is 75 years from the effective date of the statute extending Federal protection to recordings.

Subsection (c) makes clear that nothing contained in Title 17 annuls or limits any rights or remedies under any other Federal statute."

From the foregoing, it is manifest that Congress is desirous of achieving a uniformity of copyright law throughout the several states, and ultimately abolishing state common law of copyright. Id. 1976 U.S. Code, Cong. & Admin. News 5746, under heading "Preemption of State Law". Consistent with this objective, this Court is urged to adopt the general rationale of the new Copyright Act that whatever copyright rights or artistic property rights an artist or author has not expressly transferred to a third party, the artist or author has retained. This rationale in the new Act codifies the essence of this Court's earlier ruling in Ettore, supra.

Accordingly, by its actions in creating compilation or collected-song albums of Bessie Smith's recorded individual songs



and commercially selling them without consent of or compensation to her or her heirs, Columbia has misappropriated artistic property rights of Bessie Smith which were not transferred to Columbia when she recorded each song for a flat fee payment. Plaintiffs are claiming relief for such misappropriation under doctrines of common law copyright, (Count III, Second Amended Complaint), unfair competition and related doctrines including breach of trust, breach of contract, misappropriation or conversion (Count IV). To the extent the facts necessary to resolve plaintiffs' claims are undisputed, plaintiffs are entitled to judgment on their Cross Motion for Summary Judgment, and the district court's order granting Columbia summary judgment was in error and must be reversed. To the extent the facts are disputed, the dismissal of the complaint must be reversed, and the matter remanded for trial.

In like fashion, Columbia misappropriated artistic property rights of Bessie Smith, when Columbia without her consent or that of her heirs, created compilation albums, or licensed other record companies to create compilation albums, using one or more song tracks recorded by Bessie Smith on 78 rpm recordings. Plaintiffs are similarly entitled to summary judgment against Columbia on these claims.



**III. SIGNIFICANT ALTERATION OF SOUNDS ON THE ORIGINAL BESSIE SMITH RECORDINGS, BY DEFENDANT WHO RE-RECORDED THOSE RENDITIONS ELECTRONICALLY FOR PURPOSES OF MAKING AND COMMERCIALY SELLING NEW RECORD ALBUMS, CONSTITUTES A MISAPPROPRIATION AND INFRINGEMENT OF THE PROPERTY INTERESTS OF THE ARTIST, AND ACTIONS WHICH EXCEED WHATEVER PERMISSION MAY HAVE BEEN GRANTED ORIGINALLY TO COLUMBIA BY BESSIE SMITH.**

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In or about 1951, Columbia Records released four long playing high fidelity albums of Bessie Smith's records as part of the Golden Era Series, entitled "The Bessie Smith Story in Four Volumes". In 1970 and 1972 Columbia Records issued five new double record albums constituting the entire recorded output of Bessie Smith. The liner notes for the 1971 album "Bessie Smith/ Any Woman's Blues" states in part:

"With the exception of 20 selections, for which usable metal parts existed at Columbia's Pitman Plant, and six which had to be taken from transfers made in 1951, (with some echo added), all the selections used in the ten-record Bessie Smith re-issue project were taken from original shellac pressings. In rare instances, minimum equalization was employed, but surface noise was generally reduced or eliminated through the use of a new process, developed by Columbia engineer Larry Hiller. This system, which involves the use of equipment developed for other purposes, drops out most extraneous noises, but--unlike previously employed methods--does not alter the sound of the recorded material." (Emphasis added)

(174A)

Plaintiffs contend that the entire four album releases in 1951, and the six selections that were transferred to the 1970-1972 album releases from this 1951 series, are selections which have had their recorded signal considerably altered by the addition of echo, the use of equalization and octave filters, and other gimmicks designed to create a "high fidelity" record out of old



recordings made by relatively primitive means. In addition, plaintiffs contend that the electronic re-recording of some of the selections used for the 1970-1972 re-issues were of fair or inferior quality, because Columbia was unable to obtain better quality pressings. Their inclusion in a comprehensive collection of Bessie Smith recordings might be admirable from the perspective of a record collector, but they undoubtedly compromise the quality of the performance of Bessie Smith and cannot properly be re-issued without at least obtaining the consent of her heirs. Cf. Heilman v. Bell, 583 F.2d 373, 377 (7th Cir. 1978) cert. den. 99 S.Ct. 1499 (1979).

Describing the improved techniques for the 1970-1972 Bessie Smith project in comparison to the techniques used for the 1951 four record album reissues, Columbia recognizes the earlier considerable alteration of the recorded signals in the 1951 series and has eliminated as much as possible such gimmicks from the more recent series. Thus in the liner notes for the recent album "Bessie Smith/Empty Bed Blues", it is stated:

"Every effort has been made to obtain the best possible pressings of the original recordings and to minimize surface noise without affecting the sound of the performance. Over a period of a year, more than 500 sides, from 23 different sources, have been transferred to tape and meticulously processed through a new system developed by Columbia engineer Larry Hiller during the early stages of this project. This system, which employs equipment that was developed for other uses, virtually eliminates the use of equalization and octave filters (previously used systems, that considerably alter the recorded signal).

Such gimmicks as echo and re-channeling for stereo were also abandoned for the sake of sound purity.



In several cases, different pressings from the same master were combined in order to obtain one satisfactory version, but in spite of all those efforts, it has been impossible to maintain an even quality throughout. Some rare recordings were not obtainable in better than fair condition and, although their sound has been vastly improved, they still have discernible surface noise which could not have been further reduced without drastically altering the characteristics of the recorded signal."

[178A (Emphasis added)]

It is clear that the use of equalization and octave filters and such gimmicks as the addition of echo, served to "considerably alter the recorded signal" and thus to recast, transform or adapt the original sounds of Bessie Smith recordings for purposes of the 1951 album series, part of which was incorporated in the 1970-72 series. Such recasting or adapting was more than just a mechanical process, and constitutes a "derivative work" within the meaning of copyright law. See 17 U.S.C. §101. Derivative works are distinguishable from compiled works (17 U.S.C. §§101, 103) though they may overlap. In any event, the preparation of a derivative work based on a pre-existing work, is recognized as a separate exclusive right of a copyright owner (see 17 U.S.C. §106(2)) and any unauthorized use of such pre-existing work not otherwise in the public domain, is an infringement.

Moreover, the substantial alteration of the recorded sounds of Bessie Smith's renditions in such recordings, serve to misrepresent the artistic work of Bessie Smith, and poor quality of selections released, may serve to disparage her professional reputation. Regardless of what rights Columbia may have obtained in connection with contractual arrangements for the original recordings, it is settled at common law that an artist has a right



to control the artistic integrity of the performance of an artist from any substantial alteration or misrepresentation.

Gilliam v. American Broadcasting Cos., 192 U.S.P.Q. 1, 5-6 (2nd Cir. 1976) (substantial editing of television program exceeds the specific purpose of permission to use a copyrighted script in the production of a derivative work); Granz v. Harris, 198 F.2d 585 (2nd Cir. 1952) (substantial cutting of original musical work constitutes misrepresentation under contract law); Prouty v. National Broadcasting Co., 26 F. Supp. 265 (D. Mass. 1939) (unfair competition theory). Before a court may reach a determination concerning substantial alteration of an original performance, the court should compare both versions, and receive whatever evidence is offered concerning the substantiality of the differences.

Gilliam, supra; Granz, supra. On this ground of substantial alteration of originally recorded renditions of Bessie Smith, with respect to re-issued record albums by defendant, plaintiffs have stated a cause of action for misappropriation, unfair competition and related doctrines. Defendant's Motion to Dismiss or for Summary Judgment was erroneously granted pending development of the facts supporting these claims.

In light of foregoing, plaintiffs have stated causes of action and are entitled to partial summary judgment under unfair competition, misappropriation, common law copyright and related doctrines on several important and distinctive grounds. These are recently discussed in Symposium, Literary and Artistic Products and Copyright Problems, 10 Law & Contemp. Prob. 139 (Spring 1964), particularly in Symposium articles, M. Cohn, "Old Licenses and New Uses", *Id* at 164; T. Kupferman, "Rights in New Media", *Id* at 172;



G. Bodenhausen, "Protection of Neighboring Rights", Id at 156. See also the recent comprehensive article by J. Waxman, "Performance Rights in Sound Recordings", 52 Tex. L.R. 42 (1973). The district court erred in granting Defendant's Motion to Dismiss the Complaint or in the alternative for Summary Judgment as to common law copyright in Count III, and unfair competition and related grounds in Count IV. The district court further erred in denying plaintiffs' cross motion for partial summary judgment as to these claims.

**IV. COUNT V OF SECOND AMENDED COMPLAINT SETS FORTH  
A VALID CAUSE OF ACTION FOR MISAPPROPRIATION OF  
PROPERTY INTERESTS IN NAME, PERSONALITY, LIKENESS  
AND PUBLICITY RIGHTS OF BESSIE SMITH.**

It is well settled that the right of publicity of an artist has pecuniary value and worth which a court will enforce to protect its value from misappropriation. Zacchini v. Scripps-Howard Broadcasting Co., 97 S.Ct. 2849 (1977); Haelan Laboratories v. Topps Chewing Gum, 202 F.2d 866 (2nd Cir. 1953). When contractual arrangements are silent concerning the grant of merchandising rights from an artist to a producer, such rights remain with the artist. See Nimmer, "The Right of Publicity", 19 Law & Contemp. Prob. 203 (1954).

In Counts III and IV, plaintiffs have challenged the authority of Columbia Records to re-issue Bessie Smith's recordings in various long playing and derivative albums, without the consent of the heirs of Bessie Smith and without payment therefor. If plaintiffs prevail, then defendant will be held to have misappropriated these valuable property rights of the heirs of Bessie Smith and all of such albums will be unauthorized in whole or in part, as much as if Columbia had pirated them away from the possession



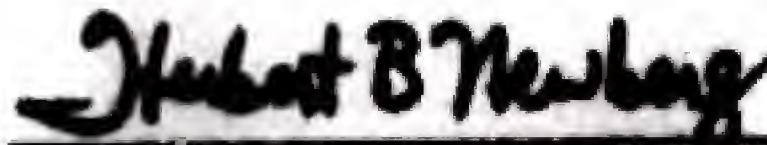
of the artist. It follows, that the use of Bessie Smith's name, likeness, and personality in connection with unauthorized record albums, constitutes a further misappropriation of important property rights of the heirs of Bessie Smith. On the basis of the pleadings, Count V sets forth a valid cause of action for misappropriation of publicity rights of Bessie Smith, and defendant's motion to dismiss this Count was erroneously granted.



### **III. CONCLUSION**

In light of the foregoing, Plaintiffs urge that the Order granting Defendant's Motion to Dismiss the Complaint or Alternatively for Summary Judgment be reversed as to Counts III to V of the Second Amended Complaint, and that Plaintiffs' Cross Motion for Partial Summary Judgment as to these counts be granted, with the district court's denial thereof being reversed. Alternatively, plaintiffs urge that the Order of the district court granting summary judgment in favor of defendants be reversed and the cause remanded for trial for resolution of the facts in dispute.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I, Herbert B. Newberg, hereby certify that copies of the Brief for Appellants and Joint Appendix, have been served upon counsel for defendants, George P. Williams, III, Esquire, 1719 Packard Building, Philadelphia, Pennsylvania 19102, by hand delivery, on July 13, 1979.

  
\_\_\_\_\_  
Herbert B. Newberg



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## STATEMENT OF ISSUES PRESENTED

1. Did not the district court correctly dismiss Count III of the Second Amended Complaint because it fails to state a claim based on infringement of any "common law copyrights" in songs performed by Bessie Smith?

2. Did not the district court correctly enter judgment for defendants on all claims for alleged misappropriation of Bessie Smith's purported "artistic property interests" in the songs she recorded because (a) as a matter of state law, Bessie Smith had no property interests in the compilation, format or technology of her recordings and (b) such claims are barred by the statute of limitations?

3. Did not the district court correctly dismiss the claims for alleged misappropriation of Bessie Smith's "right of publicity" because (a) Columbia did not misappropriate such rights as a matter of law and (b) such claims are barred by the applicable statute of limitations?



## STATEMENT OF THE CASE

### Procedural History:

Jack Gee, Jr., filed the original complaint in this action on June 24, 1975, against CBS Inc. and Columbia Records, Inc. (collectively referred to as "Columbia"), and Empress Music, Inc. That complaint asserted that defendants infringed the federal copyright protection allegedly acquired by Bessie Smith for approximately forty songs she both composed and recorded between 1924 and 1934. Columbia filed a motion to dismiss on the ground that plaintiff failed to allege ownership of the copyrights and renewals purportedly infringed.

On October 1, 1975, Jack Gee, Jr., filed an amended complaint adding William D. Harris, the executor of the estate of Jack Gee, Sr., as party plaintiff. The first amended complaint alleged that the estate of Jack Gee, Sr., owned the renewal copyrights, and added a claim based on unfair competition. On October 21, 1975, following a settlement, plaintiffs dismissed with prejudice their action against Empress Music, Inc.

On November 26, 1976, plaintiffs filed a second amended complaint (hereafter referred to as "the complaint") in five counts. Count I contains a civil rights claim based on 42 U.S.C. §1981. Plaintiffs allege that Columbia discriminated against black performers in the 1920's and 1930's and, as a result, any contracts entered into between Bessie Smith and Columbia are invalid. Count II asserts that the same contracts are invalid as



a matter of state contract law. Count III contains the copyright claims asserted in the original and first amended complaints. Count IV alleges misappropriation of Bessie Smith's purported "artistic property rights" in the songs she recorded for Columbia. Count V contains similar allegations regarding Bessie Smith's purported "publicity rights."

In an exhaustive opinion dated March 7, 1979, the Honorable Edward R. Becker held that Columbia was entitled to judgment on each of the five counts, either because the count failed to state a claim upon which relief could be granted or because summary judgment was appropriate. This appeal involves the district court's holdings with respect to Counts III, IV and V. Plaintiffs have not challenged on appeal the district court's dismissal of Counts I and II.

#### Statement of Facts:

From 1923 through 1933, Bessie Smith, a prominent black songstress, recorded approximately 160 songs for Columbia. Bessie Smith did not record for any other record company. Of these 160 songs, 156 were released before her death on September 26, 1937. Columbia paid Bessie Smith a fee for recording all but one of these songs. (Complaint ¶¶ 9-10; 100a-102a). John Hammond, who has been actively involved in the recording industry since the late 1920's and who was particularly interested in the black performers of that era, testified that the fees Columbia paid Bessie Smith were "anything but small." (Tr. of Hammond



Deposition at 91-92; 479a-480a) Mr. Hammond also testified that popular (as opposed to classical) artists during this period almost never received royalties for their recordings. (Tr. of Hammond Deposition at 27-28; 415a-416a)

Plaintiffs admit that ledger sheets from Columbia's account books for the years 1923 to 1931 reflect the existence of contracts between Columbia and Bessie Smith during that period. (Complaint ¶ 24; 109a). The ledger sheets contain entries of the following:

- (a) the name of the song;
- (b) the date on which the song was recorded;
- (c) the matrix ( master record) number;
- (d) the date the song was "O.K.'d" (i.e. "accepted") by Columbia;
- (e) the date and amount of payment to Bessie Smith;
- (f) the "month listed" (in the record catalogue);
- (g) the commencement and expiration dates of the contract pursuant to which the songs listed were recorded;
- (h) the number of songs to be recorded pursuant to the contract;
- (i) the fee to be paid Bessie Smith for each song;
- (j) the renewal option for the contract;
- (k) the date notice of renewal was required to be sent; and
- (l) additional "remarks." (150a-157a)



Columbia produced, more than forty years after the fact, unexecuted copies of "Exclusive Artist's Flat Payment Agreements" dated January 22, 1926, April 9, 1928, and July 11, 1930. (29a-38a) Paragraph 20(a) of the 1926 agreement refers to an earlier agreement between Columbia and Bessie Smith dated December 22, 1923. In the 1950's, the Columbia archive room was flooded. (Tr. of Hammond Deposition at 67; 455a). John Hammond testified that he had observed the originals of these contracts in Columbia's files and that each contained Bessie Smith's signature. (Tr. of Hammond Deposition at 22-25; 410a-413a)

The 1930 contract, which expired on August 11, 1931, was not renewed by Columbia because it lacked further resources to pay Bessie Smith. Indeed, Columbia was in bankruptcy at that time. (Tr. of Hammond Deposition at 8, 57; 396a, 445a) In 1933, John Hammond persuaded Columbia to issue four additional Bessie Smith recordings, although John Hammond himself paid Bessie Smith a flat fee for each recording because "Columbia had no money." (Tr. of Hammond Deposition at 98; 485a) Mr. Hammond was not employed by or affiliated with Columbia at that time. Id.

Under the recording contracts generally in use in the 1920's and 1930's, the record company reserved all mechanical reproduction rights on phonograph records. According to John Hammond, the record companies were careful to reserve rights regarding studio recordings. Record companies have reissued thousands of old 78 rpm recordings on long-playing 33-1/3 rpm



albums, and the question of the companies' right to reissue singles at a different speed on a long-playing album "has never even come up." (Tr. of Hammond Deposition at 60-61; 449a-450a)

On May 9, 1952, Jack Gee, Sr., allegedly the husband of Bessie Smith, sold to Empress Music, Inc.,

"any and all copyrights and renewal of copyrights in the [specified] compositions . . . together with the right to secure in the name of Empress . . . all rights therein that Gee, his heirs . . . may at any time be entitled to."

(Exhibit B to Columbia's Memorandum of Law in Support of Motion to Dismiss or for Summary Judgment, Second Supplemental Affidavit of Herbert B. Newberg ¶ 5; 270a) On October 7, 1975, Jack Gee, Jr., allegedly the adoptive son of Jack Gee, Sr., and Bessie Smith, entered into an agreement with Empress Music, Inc., by which he assigned any and all rights of renewal or extension of copyrights he may have had in all of Bessie Smith's musical compositions. (Exhibit A to Columbia's Memorandum of Law in Support of Motion to Dismiss or for Summary Judgment, Second Supplemental Affidavit of Herbert B. Newberg ¶ 7; 270a-271a) A series of mechanical licenses covering the songs that are the subject of these agreements were issued by Empress Music, Inc. to Columbia. (Affidavit of Harold Orenstein attached to Columbia's Memorandum of Law in Support of Motion to Dismiss or for Summary Judgment)

In 1951, Columbia issued four records reproduced at a speed of 33-1/3 rpm containing 48 songs performed by Bessie Smith.



Between 1970 and 1972, Columbia released ten 33-1/3 rpm records containing the entire 160 recordings which Bessie Smith had performed for Columbia. (Complaint ¶ 42, Answers to Plaintiffs' Second Set of Interrogatories; 118a-119a, 252a) Between 1956 and 1972, Columbia issued nine records which contained one or more Bessie Smith recordings together with those of other artists. Only two of these records were issued after 1965. (Defendants' Answers to Plaintiffs' Second Set of Interrogatories; 234a-245a) In issuing these records, Columbia took advantage of the then current technology in order to attain as true a recreation of Bessie Smith's performances as possible. (Liner, "Bessie Smith -- The World's Greatest Blues Singer"; 170a) Both John Hammond and Christiern Albertson, the author of the 1972 biography Bessie, testified that the 1970 releases were great technological achievements and recreated the sound of the original Bessie Smith recordings. (Tr. of Hammond Deposition at 256, Tr. of Albertson Deposition at 26; 642a, 655a)

Columbia used Bessie Smith's name and likeness on its records of Bessie Smith songs. There is no evidence that Columbia used the name or likeness of Bessie Smith for any commercial purpose except the promotion of the records.



## ARGUMENT

- I. THE DISTRICT COURT CORRECTLY DISMISSED COUNT III OF THE COMPLAINT BECAUSE IT FAILS TO STATE A CLAIM BASED ON INFRINGEMENT OF PLAINTIFFS' PURPORTED "COMMON LAW COPYRIGHTS" IN SONGS PERFORMED BY BESSIE SMITH.

Plaintiffs state that they "have appealed the dismissal of Count III insofar as the common law copyright rights of Bessie Smith as a performing artist (in contrast to rights as a song composer) are involved." Brief for Appellants at 6 (emphasis in original). However, it is clear that Count III relates only to alleged infringement of Bessie Smith's copyrights in songs she authored and composed. Thus, it is not surprising that plaintiffs' brief fails to discuss the doctrine of common law copyright or explain how it pertains to Count III.

Count III, entitled "COPYRIGHT INFRINGEMENT," states in pertinent part:

"36. By reason of defendants' actions as aforesaid, defendants have produced numerous recordings and copies of works composed and authored by Bessie Smith without valid authorization to do so.

"37. By such actions, defendants have infringed the copyrights of Bessie Smith and her heirs..." (117a; emphasis supplied)

That the district court interpreted Count III as limited to songs composed by Bessie Smith is made clear by the court's



statement of the difference between Count III and Count IV: "And in contrast to Count III (which depends on Bessie Smith's rights in songs she composed), Count IV is based on rights allegedly obtained by virtue of Bessie Smith's artistic performances." (Slip Opinion at 74; 349a) Indeed, the original complaint in this action, the predecessor to present Count III, attempted to enumerate, by exhibit, the forty copyrighted songs composed by Bessie Smith.

It is clear that the district court correctly dismissed Count III. First, despite representations to the district court that pertinent information would be forthcoming, neither of the two amended complaints identified by title a single song subject to the copyright claim. Moreover, plaintiffs failed to allege (1) the registration of any song subject to this claim, (2) their ownership of the copyrights and (3) when and how defendants infringed the copyrights. As a result, the district court held that Count III not only failed to state a claim upon which relief can be granted, but did not satisfy the liberal requirements of notice pleading embodied in Rule 8 of the Federal Rules of Civil Procedure.

Second, as an alternative holding, the district court granted summary judgment to Columbia on the basis of the 1952 assignment by Jack Gee, Sr., to Empress Music, Inc., and the 1975 assignment by Jack Gee, Jr., to Empress Music, Inc. By reason of these assignments, plaintiffs had conveyed whatever present and



future copyrights they may have had in songs composed by Bessie Smith.

Although Count III contains no language that suggests a claim based on common law copyright, the district court noted that plaintiffs' memoranda appeared to make such a claim. The court held that such a claim must also be dismissed because plaintiffs did not plead the necessary facts to state a cause of action for copyright infringement. See Slip Opinion at 70 n.23; 345a. Again, however, the district court properly limited its consideration to songs composed by Bessie Smith. Plaintiffs have not appealed any of the district court's conclusions with respect to Bessie Smith's rights as a composer. .

In any event, it appears that plaintiffs intend nothing more by their indiscriminate use of the term "common law copyright" than to add another label to describe the conduct complained of in Count IV. See discussion, infra. Plaintiffs imply that common law copyright is a state law doctrine protecting an artist's interests in his performances. See Brief for Appellants at 13. These state law doctrines are the subject of Count IV. Thus, under their own definition, Count III was unnecessary and duplicative with respect to the issues preserved on appeal.



**11. THE DISTRICT COURT CORRECTLY DIS-  
MISSED COUNT IV OF THE COMPLAINT  
ALLEGING MISAPPROPRIATION OF  
BESSIE SMITH'S PURPORTED "ARTISTIC  
PROPERTY INTERESTS" IN THE SONGS  
SHE RECORDED FOR COLUMBIA AND FOR  
WHICH SHE WAS PAID.**

It is undisputed that Columbia paid Bessie Smith a flat fee for recording songs between 1923 and 1933. Plaintiffs contend, however, that Bessie Smith retained property interests in the performances embodied in the original 78 rpm single records which have been misappropriated by plaintiffs. Specifically, plaintiffs assert that Columbia violated Bessie Smith's rights in three ways: (1) by re-recording the original performances and issuing long-playing albums of compositions sung by Bessie Smith; (2) by issuing albums containing one or two Bessie Smith recordings in conjunction with those of other artists; and (3) by using certain engineering techniques in producing these albums. The complaint does not allege any misappropriation based on the issuance of albums containing performances by Bessie Smith and others. Therefore, this question was not addressed by the district court.

It is important at the outset to clarify what is not involved in this appeal. First, there is no issue regarding any rights Bessie Smith may have possessed as the author of approximately forty songs. Moreover, plaintiffs admit that Bessie Smith's performances were not copyrightable when the recordings were made, cannot now be copyrighted and are not subject to pro-



tection under state law after February 15, 2047. Brief for Appellants at 29. Thus, despite plaintiffs' repeated references to recent revisions of the federal copyright laws, those statutes are completely irrelevant in determining the issues before this Court.<sup>1</sup> Whatever rights Bessie Smith possessed in her performances recorded by Columbia necessarily had to vest between 1923 and 1933. Thus, the district court's conclusion that "Count IV must in its entirety depend on state law" (Slip Opinion at 75; 350a) is unassailable.

Second, there can be no claim that Columbia is guilty of "record piracy" -- the unauthorized mechanical reproduction of a performance and its subsequent sale to the public. Obviously, Columbia lawfully reproduced by mechanical means Bessie Smith's performances. The issue here is what use Columbia is permitted to make of the mechanical reproductions of songs performed by Bessie Smith for a fee. The record piracy decisions cited by plaintiffs have nothing at all to do with this case.

Plaintiffs' seeming reliance on federal statutory principles and legislative history serves only to confuse what

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1. In his Supplemental Affidavit (267a), counsel for plaintiffs stated:

"2. Until the Sound Recording Act of 1971, effective February 15, 1972, was enacted 17 U.S.C. §1(f)[,] artists' performances embodied in sound recordings were not able to be copyrighted under federal law. Before February 15, 1971, any property rights of performers in sound recordings, was afforded under the common law of copyright and related theories in the various states."



is essentially a straightforward case. The issue before this Court is whether, as a matter of state law, Columbia violated any rights of Bessie Smith in converting 78 rpm single records into 33-1/3 rpm long-playing albums. If Columbia has done so, the Court must then decide whether plaintiffs' claims are barred by the statute of limitations.

Plaintiffs also mischaracterize the relationship between Bessie Smith and Columbia. Plaintiffs do not dispute that when Bessie Smith recorded for Columbia during the period 1923 through 1933, she did so pursuant to contract. In the district court, plaintiffs sought to have these contracts declared invalid as discriminatory under a federal civil rights statute, 42 U.S.C. §1981, and under state contract law on the grounds of breach of fiduciary duty and unconscionability. Plaintiffs have not appealed the district court's refusal to invalidate the contracts, but continue their efforts to describe these agreements in a manner that unfairly implies that Columbia took advantage of Bessie Smith.

For example, plaintiffs continually refer to the amounts paid Bessie Smith as "small," "nominal" or "modest." According to John Hammond, however, Bessie Smith was well compensated. (Tr. of Hammond Deposition at 91-92; 479a-480a) From December 1923 through September 1929, Columbia paid Bessie Smith \$200 per song (\$400 per record). See Complaint ¶ 23; 108a. In 1932, the Victor Talking Machine Company paid "Fred Waring's



Pennsylvanians, Inc." \$250 "for each recording." Waring v. WDAS Broadcasting Station, Inc., 327 Pa. 433, 436, 194 A. 631, 633 (1937). Plaintiffs also harp on the amounts paid Bessie when she made her last recordings for Columbia in 1933. Obviously, the economic conditions in 1933 had deteriorated from those existing in the 1920's. This was especially true in the case of Columbia, which had recently been in bankruptcy. The amounts paid Bessie Smith in 1933 are not representative of the ten-year professional relationship between the parties.

Plaintiffs also make much of the fact that Bessie Smith's contracts provided only for flat fees. This is hardly surprising. As pointed out by John Hammond, recording artists of popular songs in the 1920's and 1930's almost never received royalties. (Tr. of Hammond Deposition at 27-28; 415a-416a)<sup>2</sup> Plaintiffs' discussion of contracts employed in 1979 adds nothing to a case involving contracts entered into more than five decades ago. The fact is that Bessie Smith was not treated unfairly.

Plaintiffs cannot dispute the fact that Bessie Smith did not reserve any of the rights they ask this Court to imply in her behalf more than 40 years after her death. No amount of hyperbole regarding Bessie Smith's supposed lack of

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2. Mr. Hammond also testified that a record company might pay royalties, in lieu of a payment for performance, to non-union members. If the record did not sell, the company saved money by agreeing to pay royalties. (Tr. of Hammond Deposition at 150-154; 537a-541a)



sophistication detracts from the fact that Bessie Smith could have, but did not, reserve to herself and her heirs the right to control the packaging and technology of her recordings. It is against this background that the Court must determine whether to imply a negative covenant that precluded Columbia from converting the original recordings to album form.

A. As a Matter of State Law, Bessie Smith Had No Property Interests in the Compilation, Format or Technology of Her Recordings.

1. Pennsylvania's Choice of Law Rules Require Application of New York Law.

Plaintiffs do not address the choice of law issue. Plaintiffs' brief relies on principles gleaned from the federal copyright laws, none of which affords any protection to Bessie Smith's interest in her recordings, and on common law principles as well. However, it is clear that the substantive issues of this case must be decided under state law. It is equally clear that there are only two possibly interested jurisdictions: Pennsylvania, where Bessie Smith was domiciled (Second Supplemental Affidavit of Herbert B. Newberg; 269a), and New York, where Columbia is incorporated and maintains its principal place of business, where "Bessie Smith made all of her recordings" and where "whatever contracts and negotiations Bessie Smith may have had in connection with her contract arrangements" took place. (Plaintiffs' Supplemental Memorandum of Law in Support of Cross Motion for Summary Judgment and in Opposition to Motion of CBS,



Inc. to Dismiss Plaintiffs' Complaint or For Summary Judgment at 7) The district court, finding that plaintiffs' claims failed under the law of either state, did not determine the conflicts question.

A federal court sitting in a diversity case must apply the choice of law rules of the forum state. Klaxon Co. v. Stentor Electric Manufacturing Co., 313 U.S. 487 (1941). Pennsylvania "looks to the law of the place with the most significant relationship to the parties and the transaction..." Neville Chemical Co. v. Union Carbide Corp., 422 F.2d 1205, 1210-11 (3d Cir.), cert. denied, 400 U.S. 826 (1970). See also Griffith v. United Air Lines, Inc., 416 Pa. 1, 203 A.2d 796 (1964). Under the modern approach, whether denominated "center of gravity" or "interest analysis," New York is plainly the jurisdiction most closely related to the parties and the facts underlying plaintiffs' claims. Plaintiffs' theory is that Bessie Smith obtained property interests in her recordings which Columbia has violated. The recordings were made in New York and any violation occurred in New York. Nevertheless, Columbia will discuss plaintiffs' claims under the law of both states.

2. Under New York Law, a Performer Has No Right to Control the Packaging or Technology of Musical Renditions Embodied in Sound Recordings Absent an Express Reservation of Such Rights.

Plaintiffs formulate the issue in this appeal as "what was transferred by way of rights in artistic properties." Brief



for Appellants at 15. Plaintiffs concede that Bessie Smith did not expressly reserve any rights in her performances recorded by Columbia. Thus, the narrow question is whether under the circumstances of this case New York law implies a negative covenant restricting Columbia from re-recording the songs and issuing them on 33-1/3 rpm albums containing only compositions sung by Bessie Smith or 33-1/3 rpm albums containing Bessie Smith recordings as well as those of other performers.

Plaintiffs have cited no decision by a New York court which even remotely supports their theory. Indeed, as pointed out by the district court, New York's protection of performers is limited. (Slip Opinion at 103-105; 378a-380a) Analysis of the New York cases demonstrates that plaintiffs' claim fails as a matter of law.

The circumstances surrounding Bessie Smith's contracts with Columbia, and the customs and usages in the recording industry at that time, do not permit the implication of a negative covenant. The facts of Geisel v. Poynter Products, Inc., 295 F. Supp. 331 (S.D.N.Y. 1968), are similar to those of the present case. In 1932, plaintiff, better known under his nom de plume "Dr. Seuss," prepared and sold to Liberty Magazine twenty-three "cartoon essays" containing a minimum of three cartoons each of which contained "several animal creations." 295 F. Supp. at 335. These essays appeared in weekly issues of Liberty Magazine from June through December 1932. As here, no written contract was proven. Dr. Seuss received a flat



fee of \$300 per page and "did not expressly reserve any rights in the cartoons." 295 F.Supp. at 336 (emphasis in original).

Dr. Seuss charged that defendants wrongfully manufactured dolls derived from the cartoon essays and were advertising and selling the dolls as "Dr. Seuss" creations. He sought damages and injunctive relief.<sup>3</sup> The court stated:

"On the basis of the clear preponderance of the credible evidence, the Court finds that the custom and usage in 1932 in the magazine trade implied in fact in the Geisel-Liberty Magazine agreement a provision whereby all rights or complete rights were assigned to Liberty Magazine."

295 F. Supp. at 341 (references to notes of testimony omitted). Thus, the court found that, as a matter of contract, Liberty Magazine was not restricted in any way as to the uses to which the cartoons might be put. 295 F. Supp. at 342. In this case,

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3. Geisel differs from the instant case in that statutory copyrights were involved. Liberty Magazine copyrighted the entire issues in which the cartoon essays appeared; Dr. Seuss did not obtain a separate copyright upon the cartoons. Thus, either Liberty Magazine obtained a copyright on the cartoons by reason of copyrighting the entire magazine, or, if not, the cartoon essays entered the public domain because they were published without a copyright. To overcome this problem, Dr. Seuss argued that Liberty Magazine held its copyrights in trust for him as equitable owner of the cartoons. 295 F. Supp. at 337. This distinction, however, does not affect the significance of the court's factual conclusions. In Desmond v. 20th Century Fox Record Corp., 36 A.D.2d 925, 926, 321 N.Y.S.2d 45, 48 (App. Div. 1971), the court stated that, "the uniform and well established custom and usage in the recording industry permitted the production and sale by Fox of any written recording of plaintiff's performances as a singer, including at any speed and including albums reproduced at the speed of 33-1/3 rpm..."



plaintiffs have not pointed to a single fact that would justify a different result. John Hammond's testimony supports the conclusion that the custom and usage in the 1920's and 1930's was that the record company obtained all rights in the recording.

Even assuming that Bessie Smith retained certain rights regarding the uses to which the recordings could be put, it is clear that under New York law, a performer cannot prevent the re-recording of songs by the very company that originally recorded the songs pursuant to contract. Plaintiffs concede that Columbia possessed the right to release 78 rpm single records of Bessie Smith songs. Presumably, plaintiffs would not challenge Columbia's right in 1979 to reissue the original 78 rpm recordings. In essence, plaintiffs dispute Columbia's right to release the songs in a different package.

That plaintiffs' have not asserted rights recognized under New York law is made clear by Miller v. Universal Pictures Co., 11 A.D.2d 47, 201 N.Y.S.2d 632, aff'd mem., 10 N.Y.2d 972, 224 N.Y.S.2d 662, 180 N.E.2d 248 (1960). There, Glenn Miller's widow authorized Universal Pictures to simulate the "Glenn Miller sound" for the sound track of a movie entitled "The Glenn Miller Story." The agreement had no provisions regarding the recording and commercial sale of the



sound track. The court refused to imply a negative covenant restricting Universal's use of the sound track.<sup>4</sup>

Plaintiffs' claim that Columbia could not re-record the original performances is also negated by Granz v. Harris, 98 F. Supp. 906 (S.D.N.Y. 1951), aff'd in part and rev'd in part, 198 F.2d 585 (2d Cir. 1952). Norman Granz, a well-known promoter and producer of jazz concerts, recorded a three-hour live concert on a sixteen-inch master record playable at 33-1/3 rpm. He then re-recorded two of the compositions on twelve-inch masters playable at 78 rpm, three for each song. Granz sold the six masters to one Moe Asch pursuant to a written contract. Asch assigned the contract to Harris.

Harris subsequently re-recorded the six twelve-inch masters on ten-inch 78 rpm masters. He sold records of that size and speed as individual recordings and as an album containing both compositions. He later re-recorded the twelve-inch masters on a ten-inch 33-1/3 rpm master and sold records of that size and speed. Both courts agreed that (1) the sale of the six twelve-inch masters authorized Harris to use the

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4. In fact, Universal Pictures granted its parent, Decca Records, the right to make recordings of the sound track. Decca paid nothing for that right. The court held that plaintiff might be able to attack that transfer on the theory that the sale of the sound track was a sale of a part of the film. Plaintiff was entitled to royalties on all proceeds of the movie. The court granted a new trial to afford plaintiff the opportunity to allege that because the transfer to Decca was not at arms-length, plaintiff was deprived of royalties to which she was contractually entitled.



masters for re-recording at a different speed and (2) Harris was free to sell the two compositions separately or in album form.<sup>5</sup> This is precisely the "misappropriation" alleged by Columbia.

Plaintiffs also contend that Columbia's use of improved technology "altered" the sound of the original recordings. There is no allegation in the complaint that the reissues were of inferior quality or misrepresented Bessie Smith's performances. Thus, the district court concluded:

"We cannot, however, find a genuine issue of material fact concerning either the intent or the consequences of [Columbia's] 1951 or 1970-72 re-recordings, i.e., there is no suggestion of any intent to defame Bessie Smith or misrepresent her artistic performance, nor is there any suggestion that the re-recordings had this effect."

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5. The Second Circuit reversed the district court's finding that the ten-inch 78 rpm records did not substantially delete a portion of the compositions. However, the Court stated:

"Disregarding for the moment the terms of the contract [requiring defendant to attribute to Norman Granz the musical content of the records offered for sale], we think that the purchaser of the master discs could lawfully use them to produce the abbreviated record and could lawfully sell the same provided he did not describe it as a recording of music presented by the plaintiff. If he did so describe it, he would commit the tort of unfair competition."

198 F.2d at 588 (footnote omitted).



(Slip Opinion at 102; 377a) Plaintiffs now assert that Columbia's alteration of the sound "may serve to disparage her professional reputation." Brief for Appellants at 34. However, a descendant cannot bring an action for defamation of a deceased person. See, e.g., Meeropol v. Nizer, 381 F. Supp. 29, 35 n.3 (S.D.N.Y. 1974), aff'd in part and rev'd in part on other grounds, 560 F.2d 1061 (2d Cir. 1977), cert. denied, 434 U.S. 1013 (1978). Finally, because plaintiffs' "alteration" claim relates to the 1951 reissues, it is barred by the statute of limitations. See discussion, infra.

Plaintiffs' claim that Columbia could not electronically re-record the original renditions fails as a matter of New York law.<sup>6</sup>

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6. Ettore v. Philco Television Broadcasting Corp., 229 F.2d 481 (3d Cir.), cert. denied, 351 U.S. 926 (1956), briefly considered New York law. Ettore is discussed in more detail infra in connection with Pennsylvania law. The facts of the present case are far removed from those of Ettore. This Court, in finding in favor of plaintiff, relied on two decisions that "seem to suggest, however implicitly," 299 F.2d 493, that Ettore stated a claim for unfair competition under New York law. The first case, Capitol Records, Inc. v. Mercury Records Corp., 221 F.2d 657 (2d Cir. 1955), concerned the rights of two rival record companies to manufacture and sell records in the United States. Performers' rights were not involved. The second case, Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp., 199 Misc. Rep. 786, 101 N.Y.S.2d 483 (1950), aff'd, 279 A.D. 632, 107 N.Y.S.2d 795 (1951), was a record piracy case. Ettore cannot be read as holding that New York would recognize a cause of action based on the facts asserted by plaintiffs in this case.



3. Under Pennsylvania Law, a Negative Covenant Restricting Columbia's Use of the Original Recordings Cannot Be Implied.

Plaintiffs cite two decisions grounded in Pennsylvania law which they claim support the proposition that Columbia misappropriated Bessie Smith's property interests in her recordings. Waring v. WDAS Broadcasting Station, Inc., supra, 327 Pa. 433, 194 A. 631, and Ettore v. Philco Television Broadcasting Corp., supra, 229 F.2d 481. Analysis of the facts of these two cases demonstrates that plaintiffs' reliance is misplaced.

In Waring, plaintiff recorded two songs (for a flat fee of \$250) for the Victor Talking Machine Company ("Victor") in 1932. Waring, who was under contract with Ford Motor Company to perform one night each week for radio broadcast, foresaw that radio stations could purchase the recordings and broadcast them over the air. In order to protect against the diminution in value of his live performances, Waring and Victor agreed to place a label on each record: "Not licensed for radio broadcast." WDAS purchased one of the records and played it on the air.

The Pennsylvania Supreme Court held that Waring had an enforceable property right in his renditions. It further held that the restriction Waring placed upon the use of the records did not violate public policy. Thus, the Court concluded that WDAS' violation of the restriction, of which it obviously had



notice, constituted unfair competition. Waring stands only for the proposition that an artist who expressly limits the uses to which his recordings may be put, may enforce the restriction against a third party, provided that the restriction does not restrain trade or conflict with public policy in some other manner. Plainly, Waring provides no support to plaintiffs.

In Ettore, plaintiff fought Joe Louis in 1936. Ettore agreed that a promoter could film the contest in return for 20% of all proceeds derived from the sale of the motion picture rights. The rights were sold at or about the time of the fight for \$2500 and Ettore received \$500. In 1949, the film was telecast by NBC as part of a series called "Greatest Fights of the Century." This Court held that Ettore had a property right in his performance enforceable against unauthorized use:

"Where a professional performer is involved, there seems to be a recognition of a kind of property right in the performer to the product of his services. The theory may be summed up as follows: The performer, as a means of livelihood, contracts for his services with an entrepreneur. The finished product is, for example, a motion picture in which the performer's services are embodied. If the motion picture is employed for some use other than that for which it was intended by the performer and the entrepreneur, the motion picture is employed in such a way as to deprive the performer of his right to compensation for the new use of the product."

229 F.2d at 487. Thus, the question was whether televising a motion picture constituted "an essentially different use" of the film. Id. The Court concluded that it did.



The Court was troubled by the fact that "Ettore did not expressly reserve rights against the televising of the films by any legend on the films or, insofar as it appears, by his contract." 229 F.2d at 490 (footnote omitted). However, the Court found an equivalent to an express reservation in the fact that commercial television was virtually unknown when Ettore sold his property rights in the motion picture:

"Radio broadcasting was rather well established at the time when Waring made his records. Commercial television, as we have stated, was not in existence at the time of the Ettore-Louis contest. Fairness would seem to require that a court treat the absence of the new or unknown media, television in the instant case, as about the equivalent of a reservation against the use of the work product of the artist or performer by a known medium, radio broadcasting in Waring's case.<sup>14</sup>

"14. Some light on the question of whether Ettore's mind should have adverted to the films of his contest with Louis being employed in commercial telecasts is thrown by a statement made by Roger Burlingame in *Engines of Democracy*, Charles Scribner's Sons, 1940, p. 460. Mr. Burlingame stated:

'The invention [television] is nearly as old as radio, yet almost twenty years after radio became a commonplace in America, television is still, largely, in an experimental stage as far as society is concerned....'

"It would be obviously unfair to state that Ettore's mind should have adverted to a possible commercial telecast of the films in 1936 when the Ettore-Louis contest was held."



229 F.2d at 491. Plaintiffs concede that Bessie Smith did not expressly reserve any rights. It is clear, therefore, that in order for plaintiffs to state a claim under Pennsylvania law for unfair competition or misappropriation of property, plaintiffs must demonstrate that Columbia's electronic re-recording constitutes a new and different use of the recordings that was not contemplatable when Bessie Smith recorded for Columbia.

Plaintiffs have alleged that the present technology by means of which Columbia has clarified, amplified and otherwise improved the sound of the earlier recordings in its reissued albums was totally unknown at the time of the original recording. Plaintiffs have also alleged that Columbia has released Bessie Smith's performances on records playable at a different speed than the original recordings and on albums rather than singles. Nevertheless, it is clear that Bessie Smith's performances have not been put to any new use other than that for which they were intended -- the production of records for sale to the general public.

It is inevitable that technology will improve with the passage of time. Plaintiffs apparently would prefer that Columbia issue Bessie Smith's recordings by using master records that are, at a minimum, forty-six years old. Moreover, there is no new medium as was the case in Ettore. In Miller v. Universal Pictures Co., supra, 180 N.E.2d 248, the court held that recording motion picture sound tracks for commercial purposes did not involve a new medium of entertainment. Columbia has



done nothing more than issue recordings of Bessie Smith's performances. Indeed, many record players made after 33 and 45 rpm records became popular also played 78's and all forms of records are, or were until recently, sold in the same stores for the same uses.

Thus, under Pennsylvania law, as under New York law, Columbia has the same right to reissue the Bessie Smith records as 33-1/3 rpm albums as it has always had to reissue them as 78 rpm singles.<sup>7</sup>

B. Plaintiffs' Claims are Barred By  
the Statute of Limitations and  
the Doctrine of Adverse Possession.

Inexplicably, plaintiffs do not address the question of limitations. It is clear that any claim arising more than six years prior to October 1, 1975, the date of filing of the first amended complaint, is time-barred. Plaintiffs have not stated any theory to toll the statute. (The district court rejected all of plaintiffs' tolling theories in deciding Counts I and II, from which no appeal was taken.) Thus, all claims relating to the 1951 albums and seven of the nine albums which contain one or two Bessie Smith recordings are conclusively barred.

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7. Finally, defendants in Ettore took commercial advantage of a societal development. Here, Columbia was the originator of the long-playing record. (160a) It took advantage of technology developed at its own risk and expense.



The fact that there can be no claim regarding the 1951 albums is important, because those are the albums plaintiffs contend significantly altered Bessie Smith's actual performances. See Brief for Appellants at 32-33. As a result, plaintiff's "alteration" claim is limited to six (out of 160) songs on the 1970-1972 reissues.<sup>8</sup>

Plaintiffs have proceeded on the theory that Bessie Smith possessed property rights in her recordings. In Waring, supra, the court stated: "At common law, rights in a literary or artistic work were recognized on substantially the same basis as title to other property." 327 Pa. at 439, 194 A. at 634 (emphasis supplied).

Although the familiar doctrine of adverse possession is typically advanced in connection with realty, the doctrine has been applied to personalty as well. See Priester v. Millman, 161 Pa. Super. 507, 55 A.2d 540 (1947); Lightfoot v. Davis, 198 N.Y. 261, 91 N.E. 582 (1910). Admittedly, Columbia could not "physically" possess the intangible rights asserted by plain-

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8. Plaintiffs have no argument based on a theory of continuing wrong. The acts of which plaintiffs complain are the re-recordings. Those acts occurred in 1951 and again in 1970-1972. The limitations problem here is the same as in the case where a book is published containing defamatory statements. Therefore, the Uniform Single Publication Act is applicable by analogy. See 12 P.S. § 2090.1 et seq., repealed April 20, 1978, P.L. 202, No. 53, § 2(a) [1299], eff. June 27, 1978, amended and re-enacted by the Act of July 9, 1976, P.L. 586, No. 142, § 2, eff. June 27, 1978, 42 Pa. C.S. § 8341 (1979 Pamphlet). Under that act, a plaintiff has only one cause of action for damages based on the same publication, no matter how many thousands of copies are sold.



tiffs. Nevertheless, the release of the 1951 albums plainly was an "open" and "notorious" assertion that Columbia had the right to re-record electronically the original 78 rpm recordings and to reissue them on 33-1/3 long-playing albums. Moreover, the release of the albums was clearly hostile in that the consent of Bessie Smith's heirs was never sought.

**III. THE DISTRICT COURT CORRECTLY DIS-  
MISSED COUNT V OF THE COMPLAINT  
ALLEGING MISAPPROPRIATION OF  
BESSIE SMITH'S PUBLICITY RIGHTS  
BECAUSE COLUMBIA DID NOT MIS-  
APPROPRIATE SUCH RIGHTS AS A  
MATTER OF LAW AND BECAUSE COUNT  
V IS BARRED BY THE STATUTE OF  
LIMITATIONS.**

Plaintiffs concede that they cannot prevail on Count V unless there is a triable issue with respect to their claims of misappropriation of Bessie Smith's artistic property interests. Because the district court properly dismissed Count IV, Count V must be dismissed as well.

The district court's dismissal should be affirmed for an entirely distinct reason -- all claims based on a right of publicity are barred by Pennsylvania's two-year statute of limitations. The question of whether a lawsuit brought in a Pennsylvania court is timely is determined by the law of Pennsylvania, regardless of whether the law of another state governs the substantive issues. Bulkin v. Western Kraft East, Inc., 422 F. Supp. 437 (E.D. Pa. 1976); Schenk v. Piper Aircraft Corp., 377 F. Supp. 477 (W.D. Pa. 1974), aff'd mem., 521



F.2d 1399 (3d Cir. 1975); Freeman v. Lawton, 353 Pa. 613, 46 A.2d 205 (1946).

Pennsylvania has no statute of limitations specifically covering a cause of action for misappropriation of name or likeness. However, in Vogel v. W. T. Grant Co., 458 Pa. 124, 129, 327 A.2d 133, 136 (1975), the Pennsylvania Supreme Court held that the tort of invasion of privacy is comprised of four analytically distinct torts, including the tort of appropriation of name or likeness. See also Marks v. Bell Telephone Co., 460 Pa. 73, 331 A.2d 424 (1975); W. Prosser, Handbook of the Law of Torts, §117 at 804 (4th ed. 1971); Restatement (Second) of Torts, §652A-E (1976).

Whether Count V is timely must be determined by the Pennsylvania statute of limitations for invasion of privacy actions existing when this suit was filed. Two decisions have specifically held that actions for invasion of privacy are governed by the two-year limitations period set forth in 12 P.S. §34, repealed April 28, 1978, P.L. 202, No. 53, § 2(a) [807], eff. June 27, 1978, amended and reenacted, Act of July 9, 1976, P.L. 586, No. 142, § 2, eff. June 27, 1978, 42 Pa. C.S. § 5524 (2). Jackson v. Ideal Publishing Corp., 274 F. Supp. 318 (E.D. Pa. 1967); Hull v. Curtis Publishing Co., 182 Pa. Super. 86, 125 A.2d 644 (1956). But see Meyers v. Pennypack Woods Home Ownership Ass'n., 559 F.2d 894, 902 (3d Cir. 1977) (dictum suggesting that the language of 12 P.S. §34 that "injury wrongfully done to the person, in cases where the



injury does not result in death" expresses a limitation only on actions for bodily injury.) Even under the six-year statute, all claims accruing prior to November 26, 1970, are barred.<sup>9</sup>

### CONCLUSION

For the foregoing reasons, appellees request that the order of the court below be affirmed in all respects.

Respectfully submitted,

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Dated: August 14, 1979

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9. Plaintiffs did not assert a claim for misappropriation of publicity rights until they filed the second amended complaint on November 26, 1976. As stated in n.8, supra, plaintiffs cannot rely on a theory of continuing wrong to overcome the limitations problem.



**UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT**

**RECEIVED**

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**NO. 79-1616**

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**AUG 28 1979**

**U.S.C.A. 3RD. CIR.**

**JACK GEE, JR.**

**and**

**WILLIAM D. HARRIS, ESQUIRE,  
Executor for the Estate of John Gee, Sr.,**

**Appellants**

**v.**

**CBS, INC.**

**and**

**COLUMBIA RECORDS, INC.,**

**Appellees.**

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**APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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**REPLY BRIEF FOR APPELLANTS**

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UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

JACK GEE, JR.	:	
and	:	
WILLIAM D. HARRIS, ESQUIRE,	:	
Executor for the Estate of	:	
John Gee, Sr.,	:	
Appellants	:	NO. 79-1616
v.	:	
CBS, INC.	:	
and	:	
COLUMBIA RECORDS, INC.,	:	
Appellees.	:	

REPLY BRIEF FOR APPELLANTS

I. ARGUMENT

A. Because Plaintiffs' Amended Complaint Was Summarily Dismissed Pursuant to Defendants' Motion to Dismiss or Alternatively for Summary Judgment, All Facts of Record Must Be Viewed in Light Most Favorable to Plaintiffs.

As set forth with relevant authorities in Brief for Appellant, page 16, in determining a motion to dismiss, all facts of record and all reasonable inferences therefrom must be viewed in the light most favorable to the plaintiffs. Similarly, in a summary judgment motion, all doubts about conflicts of facts must be resolved in plaintiffs' favor.

CBS, Inc. and Columbia Records, Inc., Appellee-Defendants [hereinafter collectively referred to as "Columbia"] have disregarded these principles. In their appeal brief, for example, Columbia bemoans the fact that plaintiffs continually refer to amounts paid Bessie Smith as 'small', 'nominal' or 'modest'.



Columbia then goes on to cite conflicting evidence suggesting that Bessie Smith was "well compensated", except at the end "when economic conditions . . . had deteriorated . . ." (Columbia brief at 13-14). At other points in their brief, they argue about the "customs and usages in the recording industry at that time" as supporting their theory of no misappropriation of Bessie Smith's rights. (Columbia brief, p. 17). In fact the only nondisputed expert testimony on the record concerning song collections of popular artists on long playing recordings was by Chris Albertson who testified to the effect that there was no custom at all because no one took such recordings seriously. (Albertson, Tr. 669A) Accordingly, defendants' statement of their version of the facts and their application of them, must be rejected in connection with their arguments supporting summary dismissal before trial, of plaintiffs' Amended Complaint.

**B. Infringement of Common Law Copyright Rights  
Is Sufficiently Alleged in Count III of the  
Amended Complaint under Both State and  
Federal Common Law.**

Despite Columbia's suggestion to the contrary, plaintiffs have sufficiently alleged infringement of common law copyright rights in Count III of the Amended Complaint.

Amended Complaint, paragraphs 36 and 37, (117A) provide:

"36. By reason of defendants' actions as aforesaid, defendants have produced numerous recordings and copies of works composed and authored by Bessie Smith without valid authorization to do so.

37. By such actions, defendants have infringed the copyrights of Bessie Smith and her heirs, the plaintiffs herein, and have committed unfair trade practices, all to plaintiffs' great detriment and loss."



The prayer for relief in the Amended Complaint provides in paragraph 1 in relevant part (121A):

"WHEREFORE, Plaintiffs demand:

(1) That Defendants . . . be permanently enjoined . . . from infringing statutory and common law copyright rights of plaintiffs in any manner . . . " (emphasis added)

The unqualified use of the term "copyrights" in paragraph 37 quoted above, in conjunction with the commission of "unfair trade practices" by defendants alleged in the same paragraph, and finally the express double characterization of both statutory and common law copyright rights in the prayer for relief, manifestly reveal notice of a claim for common law copyright infringement in Count III.

In its opinion, 345A n. 23<sup>2/</sup> the trial court dismissed the common law copyright aspects of Count III because, in part, plaintiffs did not allege whether it was federal or state common law that was involved and further because plaintiffs did not allege present ownership of copyright to each song, or identify the form of infringement of each song.

The trial court erred in dismissing the common law copyright claims alleged in Count III essentially for reasons of defective pleading. Because artist performances embodied in sound recordings were not protected by federal copyright statutes until the Sound Recording Act of 1971, 17 U.S.C. §1(f), courts were faced with claims of record piracy and other misappropriations of artistic property rights that otherwise were not protected by federal statute. Most states therefore developed common law property

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<sup>2/</sup> The opinion has now been reported in 471 F. Supp. 600.



rights analogous to statutory rights protected by federal copyright acts. These analogous doctrines assumed many labels such as common law copyright, unfair competition, misappropriation and related principles.

While there are specific pleading requirements for statutory copyright infringement suits, it is error to mandate that analogous rights under common law must, under notice pleading, strictly comply with statutory copyright infringement pleading or be dismissed as fatally defective. Plaintiffs' particularized allegations earlier in the Amended Complaint of defendants' activities with regard to the 1951 and 1970-72 record series are adequately incorporated by reference in Count III.

Moreover, common law copyright rights, while exclusively expounded by the courts as a matter of state law in past years, may well have taken on the new dimension of federal common law as a result of the federal pre-emption objectives of the recent Copyright Act of 1976 (See discussion, Appellants' Brief, pg. 29ff). The design of the 1976 Act is to pre-empt all common law copyright laws of the various states with reference to sound recordings. While the actual pre-emption has been deferred until the year 2047, 17 U.S.C. §301(c), the uniformity of national copyright policy is clearly sought to be achieved. Plaintiffs submit that to the extent that state common law copyright rights do not expressly compel a contrary result in any particular case, then federal common law of copyright should be established and copied in conformity with existing statutory copyright laws in order to fill the interstices of the common law of copyrights for sound recordings



pending their federal pre-emption.

The use of such federal common law to fill interstices of otherwise uniform federal law is frequently utilized by federal courts in a variety of fields. See Illinois v. City of Milwaukee, 406 U.S. at 103, 92 S.Ct. at 1392 n. 5: "While the various federal environmental protection statutes will not necessarily mark the outer bounds of the federal common law, they may provide useful guidelines in fashioning such rules of decision . . .". Kupiec v. Republic Federal Savings and Loan Association, 512 F.2d 147 (7th Cir. 1975) (In earlier years "due to a gap in the [Federal Home Bank] Board's regulations, the court was required to 'flush out' the regulations by use of federal common law."); In re Grand Jury Proceedings, 507 F.2d 963, 970 (3rd Cir. 1975) (Aldisert, J., dissenting) (federal common law in the exercise of supervisory power of Supreme Court and Courts of Appeals). Federal common law also qualifies an action as one arising under 28 U.S.C. §1331, as a case which "arises under the Constitution, laws, or treaties of the United States." Comprehensive Group Health Service Board of Directors v. Temple University, 363 F. Supp. 1069 (E.D. Pa. 1973); Warrington Sewer Co. v. Tracy, 463 F.2d 771, 772 (3rd Cir. 1972).

In light of the foregoing, Plaintiffs submit that the trial court erred in dismissing the common law copyright claims of plaintiffs alleged in Count III of the Amended Complaint.



**C. By Issuing Collections of Songs of Bessie Smith Recordings without Consent of or Payment to Her Heirs, Columbia Has Misappropriated Plaintiffs' Rights Under the Laws of Both New York and Pennsylvania.**

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From 1920-1933, when Bessie Smith recorded songs for a modest fee per record for 78 rpm records, (e.g., \$37.50 per song for four songs in 1933, pursuant to a verbal contract with Columbia), neither of the parties to this transaction discussed or contemplated the later issuance of song collections by Bessie Smith's recorded songs. Bessie Smith did not expressly reserve the right to consent to the creation and issuance of long playing song collection albums of her recordings, nor did Columbia expressly request or obtain the assignment of such rights from Bessie Smith. Nor was there any custom in the trade with reference to re-issuance of popular song recordings during the 1920's and 1930's. Chris Albertson, who co-produced the 1970-72 record album series for Columbia and who wrote the biography of Bessie Smith testified in uncontradicted testimony in his deposition that there were not reissues of records in the 1920's or early 1930's "because the music itself was not taken seriously . . . they were treated . . . as pop records, something that was here today and gone tomorrow to be replaced by another record." (Albertson Tr. 669A). Thus, in the absence of any agreement of the parties or any custom in the industry at that time to create long playing collections, the issue to be determined is what property rights were retained by Bessie Smith, if any, and what property rights were obtained by Columbia, when Columbia paid a small flat fee for each song recorded by Bessie Smith. More narrowly, when Bessie Smith received a small flat fee for each song recorded for Columbia, pursuant to



verbal contract, did Columbia obtain the right to make compilations of Columbia's own selection of Bessie Smith songs in the future for commercial sale, without the consent of or payment to Bessie Smith or her heirs? Plaintiffs submit the answer is negative, both under New York and Pennsylvania law.

It is plaintiffs' position that Columbia may not issue a Bessie Smith song collection album or series without the permission of or payment to her heirs, regardless of how much or how little of Bessie's recorded output is included in the collection album or series. Plaintiffs take the further position that in the 1970-72 10 record-album series when Columbia reissued 100% of Bessie Smith's total lifetime recorded output, together with extensive accompanying biographical liner notes and literature and promotion, Columbia unlawfully misappropriated a whole cavalcade of residual rights of artistic property retained by Bessie Smith's heirs.

Under either the compilation or cavalcade of rights theory, the only New York precedent expressly addressing these issues, squarely holds that the artist or his or her heirs retains the rights for the authorization of any combination of earlier recordings or of any overall reissuance of earlier songs as part of a portrayal of the artistic lifetime output of the artist, even if the artist previously assigned rights to third parties to each of the songs involved, on an individual basis. In Matter of Hart, 193 Misc. 884, 83 N.Y.S.2d 635 (1948 Surrogate Ct.), was an action to determine an apportionment between capital and income in a decedent's estate on the sale of a composer's rights to a motion picture company to produce a picture based on the lives and



compositions of Rodgers and Hart. Each of the parties was represented by distinguished counsel. The New York Court specifically recognized that the custom in the musical trade recognizes that there remains the residual right in the original composer to forbid or control the combined use of his or her compositions. Said the Court, 193 Misc. at 888-889:

"While in some measure the considerations thus urged may have dictated the contract and may be represented in a degree in the sum contracted to be paid, it is the court's view that the major consideration involved was the acquisition by the motion-picture producing company of what are called in the record 'grand rights' or 'cavalcade' rights. It is sufficiently shown that the trade recognizes that the rights so labelled still remain in the composers of lyrics and music despite assignments by them of copyrights to individual pieces. While the assignee of such a copyright has interests in the individual composition assigned which must be respected there still remains in the original composer a residual right to forbid or to control the combined use of his compositions such as the motion-picture producing company desired here to exercise. Such combined use might involve the selection of a mere snatch from one composition, the use of the whole of another and a combined use of still others. The freedom of choice respecting the use of the whole or any part of any in the whole list of compositions was not procurable, according to the testimony, even by a combination of assignments or by agreements made with all the assignees of the copyrights. There still was needed the assent to the over-all use just described before the motion-picture producer could be assured against attack if he removed portions of the compositions from their original settings and used them as the demands of the story and of the picture might dictate. Conceiving the thing sold by the estate to be a grant of this reserved 'grand right' or 'cavalcade' right as well as a guarantee against any estate attempt to enforce any right of privacy granted under any statute or body of case law in any jurisdiction the court reaches the conclusion that the proceeds of the sale must be apportioned." (Emphasis added)

None of the New York precedents cited by Columbia in



its brief, pages 16-22, in support of its position address the issue raised in this appeal. Columbia's reliance on them is misplaced because the cases cited are factually distinguishable on their face and not analogous in their legal discussions to the questions at issue here. In Geisel v. Poynter Products Inc., 295 F. Supp. 331 (S.D. N.Y. 1968), cited and discussed by Columbia at pages 17-19, the court held after a full trial on the merits that the evidence of the custom and usage in 1932 in the magazine trade were that agreements for the sale of a work between authors and magazines were oral, that if plaintiff's cartoons which could have been separately copyrighted by plaintiff but which were not, were not to be deemed in the public domain, then it must follow that all rights in the cartoons were assigned to the defendant magazine, and therefore, defendant was authorized to produce and sell dolls to the public modeled after the cartoon characters provided there were no misrepresentations of the source or ridiculing features of the dolls, which would reflect adversely on the cartoonist. (295 F. Supp. at 336-337).

Miller v. Universal Pictures Co., 11 A.D.2d 47, 201 N.Y.S.2d 632 aff'd mem. 10 N.Y.S.2d 972, 224 N.Y.S.2d 662, 180 N.E.2d 248 (1960) cited by Columbia (at 19-20) involved an agreement by Glenn Miller's widow to authorize defendant film company to simulate the Glenn Miller sound for the sound track of a movie entitled the Glenn Miller Story. While the agreement did not discuss the point, the court held that Universal had the right to record and commercially sell the sound track under the agreement. The Miller case does not address the issue in this appeal of whether the artist's heirs retain the right to control the combina-



tion of songs previously transferred on an individual basis to a third party. It concerns the interpretation of an agreement with a movie company to simulate, not to copy earlier recorded songs. Moreover, to the extent the movie company wanted to combine the sounds of Glen Miller even in a simulated fashion, the case illustrates the film company's recognition that residual rights for such combination remained with the heir of Glenn Miller and the authorization of the artist's widow to make the film in the first instance was obtained. The court was then asked to determine the scope of the widow's agreement to authorize the film company and produce and use the sound track.

Finally, Columbia relies on Granz v. Harris, 98 F. Supp. 906 (S.D. N.Y. 1951) aff'd in part, rev'd in part 198 F.2d 585 (2nd Cir. 1952) (Columbia brief, pp. 20-21). In that case a jazz concert promoter recorded 2 songs from a concert on 12" master records playable at 78 rpm and sold the masters to a third party who assigned them to the defendant. The defendant wanted to use the masters to manufacture records of 10" size and to have them available for either 78 rpm or 33-1/3 rpm. The 10" record at 78 rpm would have a shorter playing time and would abbreviate somewhat the recorded sounds on the master. In addition, defendant wanted to sell the records individually rather than as part of a two record concert album. The appeals court set forth the issues involved as follows:

"The questions presented by the appeal are whether any right of the plaintiff was violated by the defendant: (1) by manufacturing and selling ten-inch 33 1/3 rpm records; or (2) by manufacturing and selling ten inch 78 rpm records; or (3) by selling records singly instead of as part of an album containing both 'How High the Moon' and 'Lady Be Good.'"

[198 F.2d at 587]



The Court of Appeals held that defendant could manufacture the masters as 10-inch 33-1/3 rpm records and could also sell them singly instead of both together (Questions 1 and 3 quoted above) but that defendant had breached plaintiff's contract by manufacturing under plaintiff's name, an abbreviated form of the recordings.

In the instant case, plaintiffs are not challenging the right of Columbia to re-record Bessie Smith's songs on records of any size or any speed - as long as the songs are sold as individual songs, with sounds re-recorded from the original recordings or masters without significant alteration. Granz, supra, does not address the issue whether residual rights remain in the heirs of artist to control the combination of songs previously assigned or transferred on an individual basis. Granz does address the question concerning whether an assignee of recording rights may alter, distort or abbreviate the original record and Granz squarely holds as plaintiffs contend, that plaintiffs are entitled to enjoin a holder of rights in recorded songs from significantly altering them before offering them for sale to the public. (See Appellants' brief, pages 32ff). Moreover, an artist's right to obtain relief against distorted versions of their works is now expressly protected under the Copyright Act of 1976. See Note, "An Author's Artistic Reputation Under the Copyright Act of 1976", 92 Harv. L.Rev. 1490 (May 1979).

Columbia contends that New York law governs. (Appellees' Brief, pages 15-16). Plaintiffs' position is that in light of the federal pre-emption objectives of the Copyright Act of 1976, that federal common law applies. Alternatively, it is not clear under the facts whether New York or Pennsylvania has the most



significant relationship to the parties and the transactions involved,<sup>2/</sup> but that under the law of either New York or Pennsylvania, plaintiffs' position manifestly predominates. Pennsylvania law supports plaintiffs' position that Columbia has no lawful right to manufacture and commercially sell long playing records comprising Bessie Smith song collections without consent of or compensation to her heirs.

In Waring v. WDAS Broadcasting Station Inc., 327 Pa. 433, 194 A. 631 (1937), the Pennsylvania Supreme Court recognized that Fred Waring had enforceable property rights in his recorded renditions, and that he could lawfully transfer some of those rights and reserve others. The Third Circuit in Ettore v. Philco Television Broadcasting Corp., 229 F.2d 431 (3rd Cir. 1956) cert. den. 351 U.S. 926 (1956) recognized the express reservation of rights involving sound recordings in Waring and held that fairness required an implication of such a reservation of rights in the artist when a new commercial use of the artistic product, not provided for in the original agreement between the parties, was involved. This Court properly made the implication that Pennsylvania law would reach that result in 1956 and in the intervening 23 years, no Pennsylvania legislation or Pennsylvania judicial precedent has changed that result.

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<sup>2/</sup> Bessie Smith and her late husband and their surviving adopted son were and are lifelong Philadelphia residents. For her last 4 recorded songs, John Hammond came to Philadelphia in 1933 to obtain Bessie Smith's oral agreement to go to New York to record them. All recording sessions were held in New York. Master records were used in part for the 1951 and 1970-72 Bessie Smith reissued LP albums came from vaults in Columbia Pittman, New Jersey plant. These records were engineered and re-recorded in New York studios; were manufactured in plants elsewhere and distributed nationwide.



**D. Plaintiffs' Claims, Which Arise Not More Than Six Years Preceding June 24, 1975, the Date of the Original Complaint, Are Not Barred by the Statute of Limitations.**

Columbia issued 4 long playing Bessie Smith record albums in 1951 and 10 long playing Bessie Smith record albums (5 double record albums) in 1970-72. In addition, Columbia, since 1956 has issued 9 record albums with one or more tracks of Bessie Smith recordings along with other artists. All of the above recordings were and are continuously being offered for sale to the public from their original issuance date to the present time. Plaintiffs are claiming, inter alia, that Columbia has misappropriated the property right of the heirs of Bessie Smith by re-issuing such song collection albums without their authorization as her heirs, and without compensation to them.

Because of the continuous sale of these records, often with updated inner jackets, and nothing in the record to indicate that their supply is not being replenished as sales dictate, there is an ongoing continuous alleged violation by Columbia of plaintiffs' rights and plaintiffs are entitled to seek to vindicate them for the full period of the applicable statute of limitations. Cf. Hanover Shoe, Inc. v. United Shoe Mach. Corp., 392 U.S. 481, 502 n. 15, 88 S.Ct. 2224, 2236 n. 15, 20 L.Ed.2d 1231 (1968) reh. den. 393 U.S. 901, 89 S.Ct. 64 and 65, 21 L.Ed.2d 108 (1968) (" . . . we are dealing with conduct which constituted a continuing violation of the Sherman Act and which inflicted continuing and accumulating harm on Hanover. Although Hanover could have sued in 1912 for the injury then being inflicted, it was equally entitled to sue in 1955."); accord: Viking Theatre Corp. v. Warner Bros.



Pictures Distrib. Corp., 264 F. Supp. 665 (E.D. Pa. 1967).

Columbia's suggestion that the Uniform Single Publication Act, 42 Pa.C.S. §8341 is applicable by analogy (Appellees' Brief, pg. 28, n. 8) is frivolous. One is not dealing here with a unitary publication for purposes of a libel action. Here involved is a continuous commercial sale of products over many years up to and including the present.

Nor is the suggested application of adverse possession principles in relation to claims for the protection of residual artistic properties consistent with any other federal precedent or state law precedent. Plaintiffs submit that adverse possession doctrines, on the contrary are inconsistent with existing federal copyright laws and state common law of unfair competition or misappropriation relating to artistic performances embodied in sound recordings, and must be rejected.



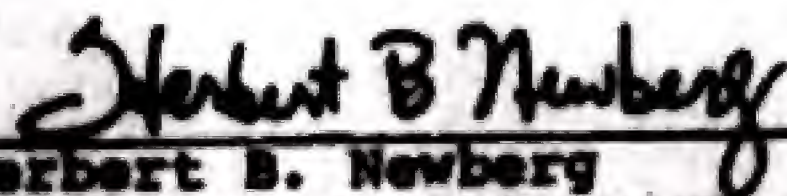
## **II. CONCLUSION**

In light of the foregoing, Plaintiffs urge that the Order granting Defendant's Motion to Dismiss the Complaint or Alternatively for Summary Judgment be reversed as to Counts III to V of the Second Amended Complaint, and that Plaintiffs' Cross Motion for Partial Summary Judgment as to these counts be granted, with the district court's denial thereof being reversed. Alternatively, plaintiffs urge that the Order of the district court granting summary judgment in favor of defendants be reversed and the cause remanded for trial for resolution of the facts in dispute.

Respectfully submitted,

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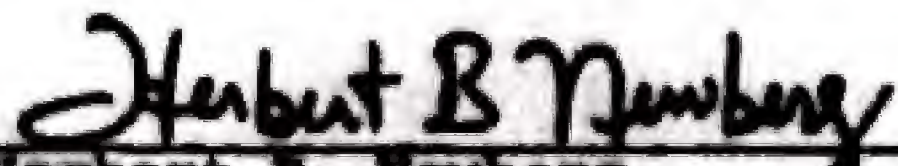
  
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Attorney for Plaintiff-Appellants



**CERTIFICATE OF SERVICE**

I, Herbert B. Newberg, hereby certify that two copies of the Reply Brief for Appellants, have been served upon counsel for defendants, George P. Williams, III, Esquire, 1719 Packard Building, Philadelphia, Pennsylvania 19102, by first class mail, postage prepaid, on August 28, 1979.

  
\_\_\_\_\_  
Herbert B. Newberg



UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

No. 79-1616

JACK GEE, JR. and WILLIAM D. HARRIS,  
ESQ., Executor for Estate of John Gee,  
Sr.,

Appellants

vs.

CBS, INC. and COLUMBIA RECORDS, INC.

Appeal from the United States District Court  
for the Eastern District of Pennsylvania  
(D.C. Civil No. 75-1792)

Argued

December 13, 1979

Before: ALDISERT, VAN DUSEN and HUNTER, Circuit Judges.

JUDGMENT ORDER

After consideration of all contentions raised by  
appellants, including the rule stated in In re Hart's Estate, 193  
Misc. 884, 83 N.Y.S.2d 635 (1948), and for the reasons set forth  
in the district court opinion by the Honorable Edward R. Becker,  
Gee v. CBS, Inc.,  
471 F.Supp. 600 (1979); it is

ADJUDGED AND ORDERED that the judgment of the district  
court be and is hereby affirmed.

Costs taxed against appellants.

BY THE COURT,

  
Circuit Judge

Attest:

  
Thomas F. Quinn, Clerk

DATED: DEC 13 1979

Certified as a true copy and issued in lieu  
of a formal mandate on January 15, 1980.

Test:

  
Clerk, United States Court of Appeals  
for the Third Circuit

RECEIVED AND FILED

JAN 15 1980

THOMAS F. QUINN

Clerk